



U.S. Department  
of Transportation  
**Pipeline and Hazardous  
Materials Safety  
Administration**

1200 New Jersey Avenue SE  
Washington DC 20590

## 2019 Gas State Program Evaluation

for

NEW JERSEY BOARD OF PUBLIC UTILITIES

### Document Legend

#### PART:

- O -- Representative, Dates and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- State Qualifications
- D -- Program Performance
- E -- Field Inspections
- F -- Damage prevention and Annual report analysis
- G -- Interstate Agent/Agreement States



# 2019 Gas State Program Evaluation -- CY 2019

Gas

**State Agency:** New Jersey

**Agency Status:**

**Date of Visit:** 08/17/2020 - 10/22/2020

**Agency Representative:** Juan Urena

Acting Bureau Chief, Pipeline Safety

**PHMSA Representative:** Clint Stephens

State Liaison

**Commission Chairman to whom follow up letter is to be sent:**

**Name/Title:** Mr. Joseph L. Fiordaliso, President

**Agency:** New Jersey Board of Public Utilities

**Address:** 44 South Clinton Ave.

**City/State/Zip:** Trenton, New Jersey 08625-0350

**Rating:**

**60105(a):** Yes **60106(a):** No **Interstate Agent:** No

## INSTRUCTIONS:

Complete this evaluation in accordance with the Evaluator Guidance for conducting state pipeline safety program evaluations. The evaluation should generally reflect state program performance during CY 2019 (not the status of performance at the time of the evaluation). A deficiency in any one part of a multiple-part question should be scored as "Needs Improvement." Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the appropriate notes/comments section. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and they OBJECTIVELY reflect the state's program performance for the question being evaluated. Increasing emphasis is being placed on how the state pipeline safety programs conduct and execute their pipeline safety responsibilities (their performance). This evaluation, together with selected factors reported in the state's annual progress report attachments, provide the basis for determining the state's pipeline safety grant allocation.

## Scoring Summary

### PARTS

### Possible Points Points Scored

- A Progress Report and Program Documentation Review
- B Program Inspection Procedures
- C State Qualifications
- D Program Performance
- E Field Inspections
- F Damage prevention and Annual report analysis
- G Interstate Agent/Agreement States

0  
15  
10  
50  
15  
4  
0

0  
11  
10  
45.5  
15  
0  
0

### TOTALS

**94** **81.5**

**State Rating** .....

**86.7**

## PART A - Progress Report and Program Documentation Review

Points(MAX) Score

1 Were the following Progress Report Items accurate?

Info Only Info Only

Info Only = No Points

- a. Stats On Operators Data - Progress Report Attachment 1
- b. State Inspection Activity Data - Progress Report Attachment 2
- c. List of Operators Data - Progress Report Attachment 3\*
- d. Incidents/Accidents Data - Progress Report Attachment 4\*
- e. Stats of Compliance Actions Data - Progress Report Attachment 5\*
- f. List of Records Kept Data - Progress Report Attachment 6 \*
- g. Staff and TQ Training Data - Progress Report Attachment 7
- h. Compliance with Federal Regulations Data - Progress Report Attachment 8
- i. Performance and Damage Prevention Question Data - Progress Report Attachment 10\*

Evaluator Notes:

- 1a. The stats on operator data in Attachment 1 of Progress Report seems accurate.
- 1b. State inspection activity data in Attachment 2 of Progress Report seems accurate based on field inspection activity data stored in Management Reports database.
- 1c. List of Operators Data in Attachment 3 of Progress Report is inaccurate, there should be zero LPG units in Attachment 3.
- 1d. Incidents/Accidents data in Attachment 4 of Progress Report did not include incident in North Bergen, New Jersey that occurred on 12/12/19. A supplemental report was sent to Carrie Winslow on March 3, 2020 to include report in Progress Report.
- 1e. Stats of compliance actions data in Attachment 5 of Progress Report seems accurate.
- 1f. Records for the Pipeline Safety Office are stored electronically in a system called INFOSHARE. Records are backed up by the NJOIT office.
- 1g. Staff and TQ Training data in Attachment 7 of Progress Report seems accurate.
- 1h. Compliance with Federal Regulations data in Attachment 8 of Progress Report seems accurate.
- 1i. Performance and Damage Prevention Question data states, since 2009, each of the State's four gas utilities have participated in an Accelerated Infrastructure Program (AIP) which includes replacement of the most vulnerable and highest risk cast iron and unprotected steel pipelines in New Jersey. NJBPU Damage Prevention Stakeholder Training: The NJBPU and NJ One Call in conjunction with the NJ Common Ground Alliance have planned 16 damage prevention stakeholder training seminars throughout the State in February through April 2020, in conjunction with the start of the construction season.

Total points scored for this section: 0  
Total possible points for this section: 0

## PART B - Program Inspection Procedures

Points(MAX) Score

- |   |   |   |   |
|---|---|---|---|
| 1 | Do written procedures address pre-inspection, inspection and post inspection activities for each of the following inspection types: Chapter 5.1<br>Yes = 5 No = 0 Needs Improvement = 1-4   | 5 | 4 |
|   | <ul style="list-style-type: none"><li>a. Standard Inspections, which include Drug/Alcohol, CRM and Public Awareness Effectiveness Inspections</li><li>b. TIMP and DIMP Inspections (reviewing largest operator(s) plans annually)</li><li>c. OQ Inspections</li><li>d. Damage Prevention Inspections</li><li>e. On-Site Operator Training</li><li>f. Construction Inspections (annual efforts)</li><li>g. LNG Inspections</li></ul> |   |   |

### Evaluator Notes:

Procedures address pre-inspection, inspection and post inspection activities; however, procedures are written verbatim from the State Guidelines and need to be revised to fit the Standard Operating procedures of the NJBPU Pipeline Safety Program. The NJBPU is in the process of revising their Standard Operation Procedures.

- |   |   |   |   |
|---|---|---|---|
| 2 | Do written procedures address inspection priorities of each operator, and if necessary each unit, based on the following elements and time frames established in its procedures? Chapter 5.1<br>Yes = 4 No = 0 Needs Improvement = 1-3  | 4 | 3 |
|   | <ul style="list-style-type: none"><li>a. Length of time since last inspection</li><li>b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)</li><li>c. Type of activity being undertaken by operators (i.e. construction)</li><li>d. Locations of operator's inspection units being inspected - (HCA's, Geographic area, Population Centers, etc.)</li><li>e. Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors)</li><li>f. Are inspection units broken down appropriately?</li></ul> |   |   |

### Evaluator Notes:

Procedures address inspection priorities of each operator; however, procedures are written verbatim from the State Guidelines and need to be revised to fit the Standard Operating procedures of the NJBPU Pipeline Safety Program. The NJBPU is in the process of revising their Standard Operation Procedures.

- |   |   |   |   |
|---|---|---|---|
| 3 | (Compliance Procedures) Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1<br>Yes = 3 No = 0 Needs Improvement = 1-2  | 3 | 2 |
|   | <ul style="list-style-type: none"><li>a. Procedures to notify an operator (company officer) when a noncompliance is identified</li><li>b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns</li><li>c. Procedures regarding closing outstanding probable violations</li></ul> |   |   |

### Evaluator Notes:

Procedures identify steps to be taken from discovery to resolution of probable violation; however, procedures are written verbatim from the State Guidelines and need to be revised to fit the Standard Operating procedures of the NJBPU Pipeline Safety Program. The NKBPU is in the process of revising their Standard Operation Procedures.

- |   |  |   |   |
|---|--|---|---|
| 4 | (Incident/Accident Investigations) Does the state have written procedures to address state actions in the event of an incident/accident?<br>Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 2 |
|   | <ul style="list-style-type: none"><li>a. Mechanism to receive, record, and respond to operator reports of incidents, including after-hours reports</li></ul>                       |   |   |

- b. If onsite investigation was not made, do procedures require on-call staff to obtain sufficient information to determine the facts to support the decision not to go on-site.

Evaluator Notes:

Procedures address state actions in the event of an incident/accident; however, procedures are written verbatim from the State Guidelines and need to be revised to fit the Standard Operating procedures of the NJBPU Pipeline Safety Program. The NJBPU is in the process of revising their Standard Operation Procedures.

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**5** General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

The NJBPU procedures are written verbatim from the State Guidelines and need to be revised to fit the Standard Operating procedures of the NJBPU Pipeline Safety Program. The NJBPU is in the process of revising their Standard Operation Procedures.

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Total points scored for this section: 11  
Total possible points for this section: 15



## PART C - State Qualifications

Points(MAX) Score

- |   |   |   |   |
|---|---|---|---|
| 1 | Has each inspector and program manager fulfilled training requirements? (See Guidelines Appendix C for requirements) Chapter 4.4<br>Yes = 5 No = 0 Needs Improvement = 1-4  | 5 | 5 |
|   | <ul style="list-style-type: none"><li>a. Completion of Required OQ Training before conducting inspection as lead</li><li>b. Completion of Required DIMP/IMP Training before conducting inspection as lead</li><li>c. Completion of Required LNG Training before conducting inspection as lead</li><li>d. Root Cause Training by at least one inspector/program manager</li><li>e. Note any outside training completed</li><li>f. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector (Reference State Guidelines Section 4.3.1)</li></ul> |   |   |

Evaluator Notes:

The following inspectors were qualified to lead OQ, DIMP, IMP, and LNG inspections; Juan Urena, John Staudenmayer, Andre Moses, and John Grillo. Juan Urena has completed the Root Cause Training course.

- |   |  |   |   |
|---|--|---|---|
| 2 | Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1<br>Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
|---|--|---|---|

Evaluator Notes:

The interim Program Manager, Juan Urena, has been in the position since October 1, 2019, but has been in the Pipeline Safety Program for 6 years, and completed TQ courses.

- |   |  |           |           |
|---|--|-----------|-----------|
| 3 | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|

Evaluator Notes:

There were no issues identified in Part C of the program evaluation.

Total points scored for this section: 10  
Total possible points for this section: 10



**PART D - Program Performance****Points(MAX) Score**

- |          |   |   |   |
|----------|---|---|---|
| <b>1</b> | Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1<br>Yes = 5 No = 0 Needs Improvement = 1-4  | 5 | 3 |
|          | <ul style="list-style-type: none"><li>a. Standard (General Code Compliance)</li><li>b. Public Awareness Effectiveness Reviews</li><li>c. Drug and Alcohol</li><li>d. Control Room Management</li><li>e. Part 193 LNG Inspections</li><li>f. Construction (did state achieve 20% of total inspection person-days?)</li><li>g. OQ (see Question 3 for additional requirements)</li><li>h. IMP/DIMP (see Question 4 for additional requirements)</li></ul> |   |   |

**Evaluator Notes:**

Reviewed inspection reports for South Jersey Gas Co. (Standard, no record when PA inspection performed after CY2013, D&A not performed within 5-yr interval ? last done 12/02/14, no record CRM performed within 5-yr interval, Construction, OQ, DIMP); New Jersey Natural Gas Co. ? Transmission (IMP, no record when PA inspection performed after CY2013, D&A, no record CRM performed within 5-yr interval, Construction, OQ); South Jersey Gas Co. ? Transmission (IMP, no record when PA inspection performed after CY2013, D&A not performed within 5-yr interval ? last done 12/02/14, no record CRM performed within 5-yr interval, no construction inspection since 10/27/2015, OQ); Public Service Electric & Gas Co. ? LNG (Standard, no record when PA inspection performed after CY2013, D&A not performed within 5-yr interval ? last done 12/02/14, no record CRM performed within 3-yr interval, OQ), Audubon Mutual Housing Corp. (2015 & 2018), Regency Village (2015 & 2018), Harrogate Inc. (2015 & 2018), Newark H/A (2015 & 2015), Red Bank H/A ( 2015 & 2018), Trenton H/A (2015 & 3 of 4 units in 2018).

- |          |   |    |   |
|----------|---|----|---|
| <b>2</b> | Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1. Do inspection records indicate that adequate reviews of procedures, records and field activities, including notes and the appropriate level of inspection person-days for each inspection, were performed?<br>Yes = 10 No = 0 Needs Improvement = 1-9 | 10 | 8 |
|          | <ul style="list-style-type: none"><li>a. Standard (General Code Compliance)</li><li>b. Public Awareness Effectiveness Reviews</li><li>c. Drug and Alcohol</li><li>d. Control Room Management</li><li>e. Part 193 LNG Inspections</li><li>f. Construction</li><li>g. OQ (see Question 3 for additional requirements)</li><li>h. IMP/DIMP (see Question 4 for additional requirements)</li></ul>  |    |   |

**Evaluator Notes:**

Reviewed inspection reports for South Jersey Gas Co. (Comprehensive Corrosion, OQ, DIMP); New Jersey Natural Gas Co. ? Transmission (Construction, Corrosion ? records); South Jersey Gas Co. ? Transmission (OQ); Public Service Electric & Gas Co. ? LNG (Comprehensive records - Need to revise inspection form for LNG - Possibly use IA equivalent (No use of U and S on form) ? inspection form last revised in 2011). The NJBPU does not document on the inspection forms for selected N/A and N/C.

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|----------|---|---|---|
| <b>3</b> | Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals established in the operator's plan. 49 CFR 192 Part N<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

**Evaluator Notes:**

Reviewed South Jersey Gas Co. OQ inspection in CY2019. The NJBPU verified OQ program/plan was up to date and that persons performing covered tasks are properly qualified and requalified at intervals established on the OQ Plan.

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|---|---|---|---|
| 4 | Is state verifying operator's integrity management Programs (IMP and DIMP)? This should include a review of plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operator's plan(s). 49 CFR 192 Subpart P | 2 | 2 |
|---|---|---|---|
- Yes = 2 No = 0 Needs Improvement = 1
- a. Are the state's largest operator(s) plans being reviewed annually?
  - b. Are states verifying with operators any plastic pipe and components that have shown a record of defects/leaks and mitigating those through DIMP plan?
  - c. Are the states verifying operators are including low pressure distribution systems in their threat analysis?

**Evaluator Notes:**

Reviewed South Jersey Gas Co. DIMP inspection in CY2019. The NJBPU requires the operators to submit their IMP/DIMP Plans on an annual basis for review. In the case of a change to the plan, the operator must send the NJBPU an email notifying them of any changes to the plan. The NJBPU is verifying with operators any plastic pipe components that have shown record of defects/leaks during the DIMP inspections. The NJBPU has been verifying operators are including low pressure distribution systems in their accelerated cast iron main replacement program.

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|---|--|---|---|
| 5 | Did the state review the following (these items are NTSB recommendations to PHMSA that have been deemed acceptable response based on PHMSA reviewing these items during the evaluation process): Chapter 5.1 | 2 | 2 |
|---|--|---|---|
- Yes = 2 No = 0 Needs Improvement = 1
- a. Operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken;
  - b. Operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance);
  - c. Operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21;
  - d. Operator records of previous accidents and failures including reported third-party damage and leak response to ensure appropriate operator response as required by 192.617;
  - e. Directional drilling/boring procedures of each pipeline operator or its contractor to determine if they include actions to protect their facilities from the dangers posed by drilling and other trench less technologies;
  - f. Operator procedures for considering low pressure distribution systems in threat analysis?
  - g. Operator compliance with state and federal regulations for regulators located inside buildings?

**Evaluator Notes:**

This item is listed in NJBPU Form GS-2 on page 2. NJBPU also added this question to the construction inspection forms, GS-9-ST & GS-9-PL.

- b. This item is listed in NJBPU Form GS-3 page 1, under B 4.
- c. This item is listed in NJ BPU Form GS-3 on page 2. B 8 (7).
- d. This item is listed in NJBPU Form GS-3 on page 2, B10.
- e. This is accomplished by New Jersey Administrative Code Section 14:7-1.25 and is included in each operator's construction procedures manual.
- f. The NJBPU has been discussing low pressure distribution systems in their DIMP inspections as being included in the threat analysis. NJBPU needs to document discussion items.
- g. The NJBPU has been discussing with operators about having regulators located outside of buildings. There are numerous meter sets inside buildings in New Jersey, and this needs to be evaluated and monitored by the NJBPU.

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|---|---|---|---|
| 6 | Did the State verify Operators took appropriate action regarding advisory bulletins issued since the last evaluation? (Advisory Bulletins Current Year) | 1 | 1 |
|---|---|---|---|
- Yes = 1 No = 0 Needs Improvement = .5

**Evaluator Notes:**



7	(Compliance Activities) Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1 Yes = 10 No = 0 Needs Improvement = 1-9	10	10
	<ul style="list-style-type: none"> <li>a. Were compliance actions sent to company officer or manager/board member if municipal/government system?</li> <li>b. Were probable violations documented properly?</li> <li>c. Resolve probable violations</li> <li>d. Routinely review progress of probable violations</li> <li>e. Did state issue compliance actions for all probable violations discovered?</li> <li>f. Can state demonstrate fining authority for pipeline safety violations?</li> <li>g. Does Program Manager review, approve and monitor all compliance actions? (note: Program Manager or Senior Official should sign any NOPV or related enforcement action)</li> <li>h. Did state compliance actions give reasonable due process to all parties? Including "show cause" hearing, if necessary.</li> <li>i. Within 30 days, conduct a post-inspection briefing with the owner or operator outlining any concerns</li> <li>j. Within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection. (Incident investigations do not need to meet 30/90-day requirement)</li> </ul>		

Evaluator Notes:

Reviewed inspection reports for South Jersey Gas Co. and New Jersey Natural Gas Co. where probable violations were documented properly, resolved, and progress of probable violations was routinely reviewed. The state did issue compliance action to all probable violations discovered. The NJBPU issued fines totaling \$131,000 in CY2019. The Program Manager reviews, approves and monitor all compliance actions.

8	(Incident Investigations) Were all incidents investigated, thoroughly documented, with conclusions and recommendations? Yes = 10 No = 0 Needs Improvement = 1-9	10	10
	<ul style="list-style-type: none"> <li>a. Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports?</li> <li>b. Did state keep adequate records of Incident/Accident notifications received?</li> <li>c. If onsite investigation was not made, did the state obtain sufficient information from the operator and/or by means to determine the facts to support the decision not to go on site?</li> <li>d. Were onsite observations documented?</li> <li>e. Were contributing factors documented?</li> <li>f. Were recommendations to prevent recurrences, where appropriate, documented?</li> <li>g. Did state initiate compliance action for any violations found during any incident/accident investigation?</li> <li>h. Did state assist Region Office or Accident Investigation Division (AID) by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA?</li> <li>i. Does state share any lessons learned from incidents/accidents?</li> </ul>		

Evaluator Notes:

The NJBPU has a rotating after hour 24-hour reporting for incidents. The NJBPU maintains email notifications of all reported incidents/accidents. The NJBPU did obtain sufficient information from operator when deciding not to go onsite for incident Report # 20190039 and 20190119. Onsite observations and contributing factors were documented. There was compliance action that came out of the incidence that occurred in 2019. The NJBPU has assisted AID on following up incidence pertaining to information included in the operator's incident report. The NJBPU shares lessons learned during the State of State presentation at the NAPS Regional meeting.

9	Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1	1	0.5
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Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

NJ Chair letter was sent on September 26, 2019; response received on November 18, 2019. In discussion with interim Program Manager, your response to item 2 in the CY2018 Chair letter has not been implemented. The NJBPU continues to not meet the required Inspection days for its Pipeline Safety Program. The number of staff to maintain safety within the State is vital to reliability and safe operations of the many miles of gas pipelines within the State.

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- |           |  |           |           |
|-----------|--|-----------|-----------|
| <b>10</b> | Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5 | Info Only | Info Only |
|           | Info Only = No Points  |           |           |

Evaluator Notes:

The NJBPU participated in the pipeline safety seminar on October 23, 2019.

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- |           |   |           |           |
|-----------|---|-----------|-----------|
| <b>11</b> | Has state confirmed transmission operators have submitted information into NPMS database along with changes made after original submission? | Info Only | Info Only |
|           | Info Only = No Points   |           |           |

Evaluator Notes:

Annually, Program Manager emails each operator requesting the operator response from PHMSA of their submission. Into NPMS.

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|-----------|---|---|---|
| <b>12</b> | Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public). | 1 | 1 |
|           | Yes = 1 No = 0 Needs Improvement = .5   |   |   |

Evaluator Notes:

Yes, information for pipeline safety is contained in the NJBPU website. There is a quarterly CGI meeting to discuss best practices or any new Damage Prevention State Statutes.

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- |           |  |   |   |
|-----------|--|---|---|
| <b>13</b> | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 | 1 | 1 |
|           | Yes = 1 No = 0 Needs Improvement = .5  |   |   |

Evaluator Notes:

One open SRCR on the Public Service Electric & Gas Co. pertaining to exceedance of MAOP. The NJBPU needs to follow-up with PHMSA Eastern Region to close out SRCR.

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- |           |  |   |   |
|-----------|--|---|---|
| <b>14</b> | Was the State responsive to:                             | 1 | 1 |
|           | Yes = 1 No = 0 Needs Improvement = .5                    |   |   |
|           | a. Surveys or information requests from NAPSRS or PHMSA; |   |   |
|           | b. Operator IM notifications; and                        |   |   |
|           | c. PHMSA Work Management system tasks?                   |   |   |

Evaluator Notes:

The NJBPU responded to surveys or information request from NAPSRS and/or PHMSA;

- b. There have been no operator IM notifications; and
- c. The NJBPU has responded to PHMSA WMS tasks.

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- |           |   |   |   |
|-----------|---|---|---|
| <b>15</b> | If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate. | 1 | 1 |
|           | Yes = 1 No = 0 Needs Improvement = .5   |   |   |

Evaluator Notes:

NJBPU has no active waivers or special permits.

**16** Were pipeline program files well-organized and accessible?

Info Only Info Only

Info Only = No Points

**Evaluator Notes:**

Yes. Files are well organized and accessible electronically in their system database (INFOSHARE).

**17** Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT). Has the state updated SICT data?

3

3

Yes = 3 No = 0 Needs Improvement = 1-2

**Evaluator Notes:**

The NJBPU has no issue with the accuracy of inspection day information submitted into State Inspection Day Calculation Tool. The State has updated the SICT data by eliminating some of the master meter operators that were included in the CY2019 calculation.

**18** Discussion on State Program Performance Metrics found on Stakeholder Communication site.\ <http://primis.phmsa.dot.gov/comm/states.htm?nocache=4805>

Info Only = No Points

**Evaluator Notes:**

Discussed State Program Performance Metrics with negative such as, Inspection Activity ? Inspection Days per Master Meter/LPG Units has steadily decreased from 2017 ? 2019. Split inspection cycles each year ? more inspected per year based on cycle; and Inspector Qualification ? Inspector's qualification has decreased with % core training from 2018 to 2019. Inspectors with % 5-Year retention has decreased from 2018 to 2019. Program Manager retired in 2019, and one inspector resigned in 2019; Leak Management ? total leaks eliminated /repaired decreased from 2018 to 2019. Recommend evaluating operator's leak survey procedures, such as classification of leaks ? Grades 1,2, and 3.

**19** Did the state encourage and promote operator implementation of Pipeline Safety Management Systems (PSMS), or API RP 1173? This holistic approach to improving pipeline safety includes the identification, prevention and remediation of safety hazards.

Info Only Info Only

Info Only = No Points

a. <https://pipelinesms.org/>

b. Reference AGA recommendation to members May 20, 2019

**Evaluator Notes:**

The NJBPU four larger operators are utilizing PSMS. Recommend State discuss with the operators how they are using the system, and the pros and cons for pipeline safety.

**20** General Comments:

Info Only Info Only

Info Only = No Points

**Evaluator Notes:**

The following issues were identified in Part D of the program evaluation:

1) The NJBPU did not inspect all types of operators and inspection units in accordance with time intervals established in their written procedures. Reviewed inspection reports for South Jersey Gas Co. - no record when PA inspection performed after CY2013, D&A not performed within 5-yr interval ? last done 12/02/14, no record CRM performed within 5-yr interval; New Jersey Natural Gas Co. ? Transmission - no record when PA inspection performed after CY2013, no record CRM performed within 5-yr interval; South Jersey Gas Co. ? Transmission - no record when PA inspection performed after CY2013, D&A not performed within 5-yr interval ? last done 12/02/14, no record CRM performed within 5-yr interval, no construction inspection since 10/27/2015; Public Service Electric & Gas Co. ? LNG - no record when PA inspection performed after CY2013, D&A not performed within 5-yr interval ? last done 12/02/14, no record CRM performed within 3-yr interval; and Trenton H/A (2015 & 3 of 4 units in 2018);

2) The NJBPU inspection from did not cover all applicable code requirements addressed on the Federal Inspection form. Upon reviewing the Public Service Electric & Gas Co. ? LNG inspection, the Comprehensive records inspection form needs to be revised. Possibly use IA equivalent with no use of U and S on form ? inspection form last revised in 2011;

3) The NJBPU responded to Chairman's letter from previous evaluation within 60 days; however, in discussion with interim Program Manager, the response to item 2 in the CY2018 Chair letter has not been implemented. The NJBPU continues to not meet the required Inspection days for its Pipeline Safety Program. The number of staff to maintain safety within the State is vital to reliability and safe operations of the many miles of gas pipelines within the State;

4) The state did not execute appropriate follow-up action to Safety Related Condition Report. There is an open SRCR on the Public Service Electric & Gas Co. pertaining to exceedance of MAOP. The NJBPU needs to follow-up with PHMSA Eastern Region to close out SRCR; and

5) Discussed State Program Performance Metrics with negative such as, Inspection Activity ? Inspection Days per Master Meter/LPG Units has steadily decreased from 2017 ? 2019. Split inspection cycles each year ? more inspected per year based on cycle; and Inspector Qualification ? Inspector's qualification has decreased with % core training from 2018 to 2019. Inspectors with % 5-Year retention has decreased from 2018 to 2019. Program Manager retired in 2019, and one inspector resigned in 2019; Leak Management ? total leaks eliminated /repaired decreased from 2018 to 2019. Recommend evaluating operator's leak survey procedures, such as classification of leaks ? Grades 1,2, and 3.

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Total points scored for this section: 45.5  
Total possible points for this section: 50



## PART E - Field Inspections

Points(MAX) Score

- 1 Operator, Inspector, Location, Date and PHMSA Representative (enter specifics into the comments box below) Info Only Info Only

Info Only = No Points

- What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc)
- When was the unit inspected last?
- Was pipeline operator or representative present during inspection?
- Effort should be made to observe newest state inspector with least experience

### Evaluator Notes:

Operator: South Jersey Gas

Inspector(s): Andre Moses (Lead), Juan Urena, and Mehnaz Moon

Location: Eveslam Township, NC

Date: October 23, 2020

PHMSA Rep: Clint Stephens

NJBPU performed a construction (pipeline replacement) and OQ field inspection during the field portion of the program evaluation. The pipeline operator was present during the inspection. Mr. Moses is a new inspector with at least three years of pipeline safety experience, but was being monitored by a more experienced inspector.

- 2 Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) 2 2
- Yes = 2 No = 0 Needs Improvement = 1

### Evaluator Notes:

Yes. The inspector used the Construction (GS-9-PL) inspection form and the OQ field (GS-22) form during the inspection. The forms were used as a guide for the inspection.

- 3 Did the inspector adequately review the following during the inspection 10 10
- Yes = 10 No = 0 Needs Improvement = 1-9
- Procedures (were the inspector's questions of the operator adequate to determine compliance?)
  - Records (did the inspector adequately review trends and ask in-depth questions?)
  - Field Activities/Facilities (did inspector ensure that procedures were being followed, including ensuring that properly calibrated equipment was used and OQ's were acceptable?)
  - Other (please comment)
  - Was the inspection of adequate length to properly perform the inspection?

### Evaluator Notes:

The NJBPU reviewed joining and HDD procedures during the inspection. The NJBPU reviewed OQ qualification records during the inspection. The inspectors observed the horizontal direction drilling and plastic pipe joining of 12" P/E pipe. The inspection was of adequate length to properly perform the inspection.

- 4 From your observation did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) 2 2
- Yes = 2 No = 0 Needs Improvement = 1

### Evaluator Notes:

From my observation the inspector has adequate knowledge of the pipeline safety program and regulations.

- 5 Did the inspector conduct an exit interview, including identifying probable violations? (If inspection is not totally completed the interview should be based on areas covered during time of field evaluation) 1 1
- Yes = 1 No = 0 Needs Improvement = .5

### Evaluator Notes:

The inspection did not discover any probable violations; however, the inspector discussed regulatory items with the operator during the inspection.

- 
- 6** Was inspection performed in a safe, positive, and constructive manner ? Info Only Info Only  
Info Only = No Points
- a. No unsafe acts should be performed during inspection by the state inspector
  - b. What did the inspector observe in the field? (Narrative description of field observations and how inspector performed)
  - c. Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices)
  - d. Other

Evaluator Notes:

The inspection was performed in a safe, positive, and constructive manner. The inspector performed his job duties adequately while observing a HDD process and an OQ inspection.

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- 7** General Comments: Info Only Info Only  
Info Only = No Points

Evaluator Notes:

There were no issues identified in Part E of the evaluation.

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Total points scored for this section: 15  
Total possible points for this section: 15



**PART F - Damage prevention and Annual report analysis****Points(MAX) Score**

- |   |  |   |   |
|---|--|---|---|
| 1 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues.<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 0 |
|---|--|---|---|

**Evaluator Notes:**

The NJBPU was not able to provide documentation that annual reports, along with Incident Accident reports are being reviewed for accuracy; and data is being analyzed for trends and operator issues.

- |   |  |   |    |
|---|--|---|----|
| 2 | Has the state verified that the operators analyze excavation damages for the purpose of determining root causes and minimizing the possibility of a recurrence? (? 192.617)<br>Has the state verified that the operators have appropriately identified excavators who have repeatedly violated one-call laws and damaged their facilities. Have the operators taken steps to mitigate that risks? (? 192.1007)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | NA |
|---|--|---|----|

**Evaluator Notes:**

The NJBPU was not able to provide documentation to verify operators are analyzing excavation damages for the purpose of determining root causes and minimizing the possibility of a recurrence. In addition, the NJBPU has not verified operators have appropriately identified excavators who have repeatedly violated one-call laws and damaged their facilities.

- |   |   |   |    |
|---|---|---|----|
| 3 | Has the state reviewed the operator's annual report pertaining to Part D ? Excavation Damage?<br>Yes = 4 No = 0 Needs Improvement = 1-3 <ol style="list-style-type: none"><li>a. Is the information complete and accurate with root cause numbers?</li><li>b. Has the state evaluated the causes for the damages listed under "One-Call Notification Practices Not Sufficient" (Part D.1.a)?</li><li>c. Has the state evaluated the causes for the damages listed under "Locating Practices Not Sufficient" (Part D.1.b)? For each operator, does the state review the following?</li><li>d. Is the operator or its locating contractor(s) qualified and following written procedures for locating and marking facilities?</li><li>e. Is the operator appropriately requalifying locators to address performance deficiencies?</li><li>f. What is the number of damages resulting from mismarks?</li><li>g. What is the number of damages resulting from not locating within time requirements (no-shows)?</li><li>h. Is the operator appropriately addressing discovered mapping errors resulting in excavation damages?</li><li>i. Are mapping corrections timely and according to written procedures?</li><li>j. Has the state evaluated the causes for the damages listed under "Excavation Practices Not Sufficient" (Part D.1.c)?</li></ol> | 4 | NA |
|---|---|---|----|

**Evaluator Notes:**

The NJBPU did not have documentation they have reviewed the operator's annual report pertaining to Part D - Excavation Damage. This review should include verifying information is complete and accurate with root cause numbers; evaluating the causes for the damages listed under Part D.1.a., D.1.b. and D.1.c.; verifying the operator or its contractor(s) are qualified and following written procedures for locating and marking facilities; verifying the operator is appropriately requalifying locators to address performance deficiencies; the number of damages resulting from mismarks and/or not locating within time requirements; verifying operator is appropriately addressing discovered mapping errors resulting in excavation damages; and verifying map corrections are timely and according to written procedures.

- |   |   |   |   |
|---|---|---|---|
| 4 | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests?<br>Yes = 2 No = 0 Needs Improvement = 1 <ol style="list-style-type: none"><li>a. What stakeholder group is causing the highest number of damages to the pipelines? Operator, contractor, locating company or public.</li><li>b. Has the state verified the operator is appropriately focusing damage prevention education and training to stakeholders causing the most damages?</li></ol> | 2 | 0 |
|---|---|---|---|

- c. Has the state evaluated which of the following best describes the reason for the excavation damages; i.e., operator or contractor not following written procedures, failure to maintain marks, failure to support exposed facilities, failure to use hand tools were required, failure to test-hole (pot hole), improper backfilling practices, failure to maintain clearance or insufficient excavation practices.
- d. Has the state verified the operator is appropriately focusing damage prevention education and training to address the causes of excavation damages?

Evaluator Notes:

The NJBPU was not able to provide documentation that their agency or another organization within the state has collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests.

**5 General Comments:**

Info Only Info Only

Info Only = No Points

Evaluator Notes:

The following issues were identified in Part F of the evaluation:

1. The NJBPU was not able to provide documentation that annual reports, along with Incident Accident reports are being reviewed for accuracy; and data is being analyzed for trends and operator issues;
2. The NJBPU was not able to provide documentation to verify operators are analyzing excavation damages for the purpose of determining root causes and minimizing the possibility of a recurrence. In addition, the NJBPU has not verified operators have appropriately identified excavators who have repeatedly violated one-call laws and damaged their facilities;
3. The NJBPU did not have documentation they have reviewed the operator's annual report pertaining to Part D - Excavation Damage. This review should include verifying information is complete and accurate with root cause numbers; evaluating the causes for the damages listed under Part D.1.a., D.1.b. and D.1.c.; verifying the operator or its contractor(s) are qualified and following written procedures for locating and marking facilities; verifying the operator is appropriately requalifying locators to address performance deficiencies; the number of damages resulting from mismarks and/or not locating within time requirements; verifying operator is appropriately addressing discovered mapping errors resulting in excavation damages; and verifying map corrections are timely and according to written procedures; and
4. The NJBPU did not have documentation they have reviewed the operator's annual report pertaining to Part D - Excavation Damage. This review should include verifying information is complete and accurate with root cause numbers; evaluating the causes for the damages listed under Part D.1.a., D.1.b. and D.1.c.; verifying the operator or its contractor(s) are qualified and following written procedures for locating and marking facilities; verifying the operator is appropriately requalifying locators to address performance deficiencies; the number of damages resulting from mismarks and/or not locating within time requirements; verifying operator is appropriately addressing discovered mapping errors resulting in excavation damages; and verifying map corrections are timely and according to written procedures.

Total points scored for this section: 0  
Total possible points for this section: 4



## PART G - Interstate Agent/Agreement States

Points(MAX) Score

- 1 Were all inspections of interstate pipelines conducted using the Inspection Assistant program for documenting inspections. Info Only Info Only  
Info Only = No Points

Evaluator Notes:

The NJBPU is not an interstate agent.

- 2 If inspections were conducted independent of a PHMSA team inspection was notice of all identified probable violations provided to PHMSA within 60 days. Info Only Info Only  
Info Only = No Points

Evaluator Notes:

The NJBPU is not an interstate agent.

- 3 If inspections were conducted independent of a PHMSA team inspection was PHMSA immediately notified of conditions which may pose an immediate safety hazard to the public or environment? Info Only Info Only  
Info Only = No Points

Evaluator Notes:

The NJBPU is not an interstate agent.

- 4 If inspections were conducted independent of a PHMSA team inspection did the state coordinate with PHMSA if inspections not were not included in the PHMSA Inspection Work Plan? Info Only Info Only  
Info Only = No Points

Evaluator Notes:

The NJBPU is not an interstate agent.

- 5 Did the state take direction from and cooperate with PHMSA for all incident investigations conducted on interstate pipelines? Info Only Info Only  
Info Only = No Points

Evaluator Notes:

The NJBPU is not an interstate agent.

- 6 General Comments: Info Only Info Only  
Info Only = No Points

Evaluator Notes:

The NJBPU is not an interstate agent.

Total points scored for this section: 0  
Total possible points for this section: 0