



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 YORK DEPARTMENT OF PUBLIC SERVICE

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 York

Agency Status:

Date of Visit: 10/05/2020 - 10/08/2020

Agency Representative: Kevin Speicher, Chief, Pipeline Safety Section, NY DPS

PHMSA Representative: Agustin Lopez, State Liaison, PHMSA

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

Name/Title: John B. Rhodes, Chair

Agency: New York Department of Public Service

Address: 3 Empire State Plaza

City/State/Zip: Albany, New York 12223

Rating:

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

Interstate Agent: Yes

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
15
10
50
15
4
0

TOTALS

94 94

State Rating **100.0**

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:

- a. Reviewed NY DPS files and verified operator data.
- b. Reviewed NY DPS files which include the tracking of inspection activity and data is accurate.
- c. Compared data with PDM and NY DPS files and submitted data is accurate.
- d. Reportable incidents were compared with PDM and Attachment 4.
- e. Reviewed NY DPS 2019 summary data to verify compliance actions. 2018 carry over were adjusted due to the dates the cases were processed/violations found.
- f. The NY DPS keeps records as listed in Attachment 6.
- g. Verified staff qualifications with Blackboard and data kept by the NY DPS.
- h. NY has adopted all federal regulations.
- i. NY DPS lists accomplishments and initiatives in Attachment 10.

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



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|---|---|---|---|
| 1 | Do written procedures address pre-inspection, inspection and post inspection activities for each of the following inspection types: Chapter 5.1
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
|---|---|---|---|
- a. Standard Inspections, which include Drug/Alcohol, CRM and Public Awareness Effectiveness Inspections
 - b. TIMP and DIMP Inspections (reviewing largest operator(s) plans annually)
 - c. OQ Inspections
 - d. Damage Prevention Inspections
 - e. On-Site Operator Training
 - f. Construction Inspections (annual efforts)
 - g. LNG Inspections

Evaluator Notes:

State Guideline Manual has pre and post inspection procedures which state: All audits should consist of pre-inspection planning (this should include a review of recent and historical audit findings for a particular operator and OHQ (located on LAN), review of past compliance actions, and other information that may help inform the audit process. Within 30 days: Conduct a post-inspection briefing with the owner or operator of the gas or hazardous liquid pipeline facility inspected outlining any concerns

a. Section 4 has Standard inspections, which include drug/alcohol, control room management and public awareness effectiveness inspections.

b. Section 4.5 of the Staff Guidance Manual: IMP, TIMP, and DIMP inspections (reviewing largest operator(s) annually). This procedure provides guidance for utilizing federal inspection forms, through Inspection Assistant (IA), protocols, and posting the reports/findings on the network servers. IMP Inspections: Staff will continue to inspect IMP work being carried out by the LDCs and document its findings on Inspection Assistant (IA) for program audits.

c. Section 4.5 of the Staff Guidance. This procedure addresses plan reviews, the responsible party for inputting the audit results, field assessments, violations noted, and guidance for any issues/situations which requires clarification. The comprehensive OQ Inspection Plan audits have been completed and their results documented using Inspection Assistant (IA).

d. Chapter 8 of the Staff Guidance Manual. This procedure provides guidance for performing field investigations, the forms used, routing and final dispensation of Part 753 citations, notifications for probable violations, and investigative hearings.

e. Section 1.5 of the Staff Guidance Manual. This procedure provides guidance for on-the-job training, USDOT training and seminars, and other third-party training.

f. Chapter 6 of the Staff Guidance Manual. This procedure provides guidance for performing reviews of construction plans, gathering lines, pipelines operating over 125-psig, pipelines operating at less than 125-psig, pressure upgrading, and ILI inspections.

g. Chapter 5 of the Staff Guidance. This procedure provides guidance for auditing LNG facilities, inspection frequencies, compliance actions, reports, and documentation.

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| 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
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
|---|--|---|---|
- a. Length of time since last inspection
 - b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)
 - c. Type of activity being undertaken by operators (i.e. construction)
 - d. Locations of operator's inspection units being inspected - (HCA's, Geographic area, Population Centers, etc.)
 - 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)

- f. Are inspection units broken down appropriately?

Evaluator Notes:

Chapter 4 of the Staff Guidance Manual, outlines the natural gas and hazardous liquid inspection and compliance program as follows: operator data, general provisions, record audits, field audits, program audits, operations and maintenance procedure audits, verification audits, special audits, probable violations, letters to operators, audit correspondence and documentation, and operator training.

The '5 Year Audit Plan' folder on the r:\division\gaswater\safety\forms. This plan depicts the high, medium, and low risk functions broken down on a five-year audit basis. The high-risk functions are audited yearly, the medium risk functions every other year, and the low risk functions on a five-year basis.

The applicable operator rate/merger cases. The majority of operator's rate and/or merger case agreements now include enforcement measures for high and other risk functions.

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| 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
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
| | a. Procedures to notify an operator (company officer) when a noncompliance is identified | | |
| | b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns | | |
| | c. Procedures regarding closing outstanding probable violations | | |

Evaluator Notes:

Sections 4.9, 4.10, and 4.11, of the Staff Guidance Manual. These procedures provide examples on how to accumulate violations, how to accumulate pieces of evidence, provides guidance for addressing compliance letters, addressing violation specifics, and audit correspondence and documentation. In addition, specific guidance on compliance meetings, high and/or other risk violations, and a tiered penalty system is outlined in the operator's current merger and/or rate case.

- a. Section 4.10 addresses the letter to an executive of a company.
b. Section 4.9 addresses the review of compliance actions to avoid delays.
c. Section 4.9-4.11 addresses the closing of outstanding probable violations.

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| 4 | (Incident/Accident Investigations) Does the state have written procedures to address state actions in the event of an incident/accident?
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
| | a. Mechanism to receive, record, and respond to operator reports of incidents, including after-hours reports | | |
| | 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:

Chapter 9 of the SGM. This chapter provides guidance for media contact, notifications for both business and non-business hours, investigations and documentations, internal notifications, accident investigation guidelines, field investigation reports, reports to the Commission, incident report files, and incidents on interstate facilities.

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| 5 | General Comments:
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

The NY DPS is mainly complying with Part B of the Evaluation.

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

PART C - State Qualifications

Points(MAX) Score

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

Evaluator Notes:

- a. Yes, verified lead inspectors with Blackboard to assure leads are qualified to conduct OQ inspections.
- b. Yes, verified lead inspectors with Blackboard to assure leads are qualified to conduct IMP/DIMP inspections.
- c. Yes, verified lead inspectors with Blackboard to assure leads are qualified to conduct LNG inspections.
- d. NY DPS inspectors have taken Root Cause course.
- e. NY DPS at times provides outside training.
- f. Yes, verified lead inspectors with Blackboard to assure they are qualified.

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|---|--|---|---|
| 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
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
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Evaluator Notes:

Yes, Mr. Kevin Speicher has more than 25 years of experience and is very knowledgeable of the pipeline safety program and regulations.

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| 3 | General Comments:
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

The NY DPS is mainly complying with Part C of the Evaluation.

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



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

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

Yes, reviewed randomly selected inspection report to verify the NY DPS is conducting inspections per their procedures. The NY DPS has excel files located in each operator's '5 Year Audit Plan' folder in the r:\division\gaswater\safety\forms\5 Year Audit Plans.

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| 2 | 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?
Yes = 10 No = 0 Needs Improvement = 1-9 <ul style="list-style-type: none">a. Standard (General Code Compliance)b. Public Awareness Effectiveness Reviewsc. Drug and Alcohold. Control Room Managemente. Part 193 LNG Inspectionsf. Constructiong. OQ (see Question 3 for additional requirements)h. IMP/DIMP (see Question 4 for additional requirements) | 10 | 10 |
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Evaluator Notes:

Yes the NY DPS utilizes IA and PHMSA equivalent forms to document inspections. Reviewed randomly selected inspection reports to assure forms are being utilized and completed.

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| 3 | 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
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, the NY DPS conducts OQ Program reviews per their procedures to assure operators are in compliance with 192 Part N.

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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
Yes = 2 No = 0 Needs Improvement = 1 <ul style="list-style-type: none">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? | 2 | 2 |
|----------|--|---|---|

- c. Are the states verifying operators are including low pressure distribution systems in their threat analysis?

Evaluator Notes:

Reviewed randomly selected IMP inspection reports to assure the NY DPS is conducting IMP inspections.

The comprehensive DIMP plan audits have been completed and their results are documented in Inspection Assistant (IA). The recommendation letters, any associated findings, and audit documentation can be found at the following location: t:\division\gaswater\safety\DIMP.

Quarterly meetings are held with the operators to discuss advisory bulletins, pipe/component defects and their disposition, federal notices, etcetera. Plastic failures are submitted by operators quarterly.

As threat analysis procedures are submitted by each pipeline operator or its contractors, they are reviewed by the Albany Engineering Staff in consultation with each affected Field Office. Any comments and/or recommendations are then provided back to the operator.

Staff will continue to inspect IMP and DIMP work being carried out by the LDCs and will document its findings in Inspection Assistant (IA).

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 Yes = 2 No = 0 Needs Improvement = 1	2	2
	<ol style="list-style-type: none"> 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:

a. Graphitization is covered and documented, where applicable, in the excel files located in each operator's '5 Year Audit Plan' folder in the r:\division\gaswater\safety\forms\5 Year Audit Plans.

b. Surveillance of cast iron pipelines is covered and documented, where applicable, in the excel files located in each operator's '5 Year Audit Plan' folder in the r:\division\gaswater\safety.

c. The Commission issued its Gas Emergency Plan Order (Case 13-G-0484) on December 18, 2013. The order requires LDCs to submit emergency plans with consideration of the best practices developed by staff, and in conjunction with working group efforts at staff's 2019 pipeline safety seminar. These plans were reviewed during the 2014 calendar year.

d. All incident and accident notifications received are reviewed and documented in the INL access database located in t:\division\gaswater\safety.

- e. As directional drilling/boring procedures are submitted by each pipeline operator or its contractors, they are reviewed by the Albany Engineering Staff in consultation with each affected Field Office. Any comments/ recommendations are then provided back to the operator.
- f. As threat analysis procedures are submitted by each pipeline operator or its contractors, they are reviewed by the Albany Engineering Staff in consultation with each affected Field Office. Any comments and/or recommendations are then provided back to the operator.
- g. The NY DPS has a state rule that does not allow any new meters inside buildings. They assure operator are in compliance with current regulations during inspections.

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:

Advisory bulletins are sent to all operators. Quarterly meetings are held with the operators to discuss advisory bulletins.

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	10	10
	Yes = 10 No = 0 Needs Improvement = 1-9		
	a. Were compliance actions sent to company officer or manager/board member if municipal/government system?		
	b. Were probable violations documented properly?		
	c. Resolve probable violations		
	d. Routinely review progress of probable violations		
	e. Did state issue compliance actions for all probable violations discovered?		
	f. Can state demonstrate fining authority for pipeline safety violations?		
	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)		
	h. Did state compliance actions give reasonable due process to all parties? Including "show cause" hearing, if necessary.		
	i. Within 30 days, conduct a post-inspection briefing with the owner or operator outlining any concerns		
	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)		

Evaluator Notes:

Reviewed randomly selected inspection reports with compliance actions to assure the state is following it's compliance procedures. The NY DPS adequately documents probable violations and resolves them on a timely manner. Copies of audit letters and audit response letters are organized per year. Per procedure, compliance meetings are held after each audit, preliminary violations are presented, and the operators are provided five business days to respond with additional evidence for compliance.

- a. Yes reviewed compliance letters and all were issued to executive officers.
- b. Yes, the NY DPS documents all probable violations.
- c. Yes, there does not seem to be a breakdown in processing /resolving probable violations.
- d. Yes, the NY DPS inspectors routinely reviews open cases.
- e. Yes, all probable violations found were addressed.
- f. Yes, the NY DPS issues civil penalties and uses case hearings. Per rate/merger case agreements, enforcement protocols have been established to address the instances of non-compliances identified. Any associated penalties will be documented

and tracked through the rate/merger case proceedings.

g. Program Manager is aware of all cases with probable violations but does not sign every compliance letter. The Program Manager is aware of the requirement of the Program Manager signing all compliance actions and is currently signing all compliance actions.

h. Yes the NY DPS give reasonable due process.

i. Yes, the NY DPS inspectors conduct post inspection briefings within 30 days.

j. Yes the operator is notified within 90 days of any findings.

8	(Incident Investigations) Were all incidents investigated, thoroughly documented, with conclusions and recommendations?	10	10
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Yes = 10 No = 0 Needs Improvement = 1-9

- a. Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports?
- b. Did state keep adequate records of Incident/Accident notifications received?
- 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?
- d. Were onsite observations documented?
- e. Were contributing factors documented?
- f. Were recommendations to prevent recurrences, where appropriate, documented?
- g. Did state initiate compliance action for any violations found during any incident/accident investigation?
- 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?
- i. Does state share any lessons learned from incidents/accidents?

Evaluator Notes:

Yes, reviewed incident investigations and the NY DPS thoroughly conducted all investigations.

- a. chapter 9, section 3 of the SGM has mechanism for responding to incident notifications.
- b. Yes the NY DPS keeps adequate records in incident notifications.
- c. All reportable incidents were investigated. Albany Engineering Staff will determine if further investigation is required and, if necessary, contact local supervision that covers the area of the incident for any required follow-up action, which may include dispatching Section Staff for an on-site investigation, or contacting the utility for updated information. Each business day, prior to leaving, the Albany Engineering staff will verify that all reports of incidents that warrant field investigation have been dispatched to local field supervision.
- d. Yes investigation reports document observations found during an incident investigation.
- e. Yes investigation reports document contributing factors.
- f. Yes, the NY DPS documents its findings in the GW-1 Safety Section Incident Notification Report
- g. Linked through the 753 database, compliance actions are determined by the commission at the monthly Session. These items are logged through the Document and Matter Management System (DMM) which is located via the web. Also included in DMM are 25/25A compliance actions against companies for violations identified during investigations.
- h. Yes, the NY DPS assists the EA Region and AID whenever necessary.
- i. All pertinent details of incidents are shared at the NAPSR Region Meetings and state Training and Qualification Seminars.

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	1
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Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

There was no respond required.

10	Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5	Info Only	Info Only
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Info Only = No Points

Evaluator Notes:

Seminar was conducted in Saratoga Springs on September 24/25/26, of 2013.

Seminar was conducted in Canandaigua on September 13/14/15, of 2016.

Seminar was conducted in Cooperstown on September 17/18/19/20, of 2019.

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| 11 | Has state confirmed transmission operators have submitted information into NPMS database along with changes made after original submission?
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

NY periodically reviews that intrastate operators have submitted information into NPMS database, along with any modifications.

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| 12 | 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).
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

A public website, www.dps.ny.gov. This website provides stakeholders with the ability to search any and all of the commission documents, file a complaint, dispute a resolution, view press releases, view public notices, and view webcasts.

In 2016, NY developed a Pipeline Safety Program website located at <http://www3.dps.ny.gov/W/PSCWeb.nsf/All/4606B847387FBCB6852580A700678AD0?OpenDocument>. This website will have quick access links to various reports, orders, program data, and regulations associated with pipeline safety.

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

monthly updates are required to be completed and submitted on the current federal form. For intrastate SRCRs, an investigative memorandum can be used to document Staff's investigation of the SCRC. These memos can be used to supplement required reporting to the PHMSA Eastern Region office and should be filed on the LAN at: t:\division\ gaswater\safety\Safety Related Condition Reports.

The NY DPS needs to amend procedures to include PHMSA's use of WMS tracking of SRCR.

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

- a. NY actively participates in NAPS or PHMSA survey requests
 - b. NY continues to inspect IMP work being carried out by the LDCs and will document its findings in Inspection Assistant (IA).
 - c. NY complies with PHMSA work management system tasks.
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| 15 | 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.
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Section 3.4 of the Staff Guidance Manual. This procedure outlines the waiver/petition process which considers public safety cost versus safety benefits, weakening/ strengthening of code enforcement, applicability to the companies, effect on federal

regulations, etc. There has not been any recent waivers issued.

There was one waiver issued to an operator but was closed out in 2020 due to the operator completing their ILI.

16	Were pipeline program files well-organized and accessible? Info Only = No Points	Info Only	Info Only
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Evaluator Notes:

yes, files are well organized and secured in a network server.

17	Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT). Has the state updated SICT data? Yes = 3 No = 0 Needs Improvement = 1-2	3	3
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Evaluator Notes:

No issues with the SICT only concern is with the current covid restrictions the NY DPS may not meet certain days on some types of inspections but don't foresee not meeting the SICT total inspection days.

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	Info Only	Info Only
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Evaluator Notes:

Discussed Performance Metrics with Mr. Speicher and there does not seem to be any concerns or issues with the current trends. Leaks and damages are on a downward trend for several years.

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 = No Points a. https://pipelinesms.org/ b. Reference AGA recommendation to members May 20, 2019	Info Only	Info Only
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Evaluator Notes:

NY has begun encouraging and/or promoting Pipeline Safety Management Systems and API RP 1173. Incorporated into LDC rate/merger cases.

20	General Comments: Info Only = No Points	Info Only	Info Only
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Evaluator Notes:

The NY DPS is mainly complying with Part D of the Evaluation.

D.7 Program Manager is aware of all cases with probable violations but does not sign every compliance letter. The Program Manager is aware of the requirement of the Program Manager signing all compliance actions and is currently signing all compliance actions. Will verify in 2021 to assure Program Manager is signing all compliance letters.

Total points scored for this section: 50
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:

On September 16th, Glynn Blanton, PHMSA State Program via FaceTime observed the inspection and insertion of a 2' PE pipe into the four-inch cast iron main of National Fuel Gas in Buffalo, NY. Reviewed two site locations consisting of 360' of main and 6 service lines. The cast iron main was retired after the PE pipe was pressure tested. The site was previously reviewed 6 weeks prior to this inspection. The operator was notified of this inspection and company construction crew foreman was on site. Inspector Zach Tondera was the lead and Jon Langford assisted in the inspection. Mr. Tondera has 8 years of experience, completed all required training at TQ and Gas Inspector qualified. Mr. Langford has been employed since 2019 and has completed five TQ courses.

- 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 inspectors used NY PSC Construction Report form 12.21.16 and entered the results into the form and their audit software program (PAS).

- 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:

Yes, lead inspector conducted a review of construction area checking date of the newly installed PE, depth of pipe, clearance distance between other utilities, pressure test of line, tracer wire, casing installed around new service lines, backfill of main and visual review of each pipeline joint.

- 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:

Yes, lead inspector and assistant demonstrated excellent knowledge of pipeline safety & NY regulations and rules.

- 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:

Yes, at the end of the review of each of the two sections of the construction project an exit interview was conducted with the company foreman. No issues were found at either of the two construction sites.

- 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:

No unsafe acts were observed and inspectors were wearing mask and practicing safe distance between construction crews due to the COVID-19 alerts. Each inspector conducted himself in a professional and courteous manner.

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

Evaluator Notes:

No issues were found or noted. No loss of points occurred in this section of the review.

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.
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Review incorporated within the 2019 Performance Measures Report, Case 20-G-0195, published on June 11, 2020.

Leak management targets have been incorporated into most major LDC rate cases which requires operators to reduce the number of leaks by a set amount per year or incur a negative revenue adjustment. Positive revenue adjustments have also been incorporated into select rate cases to encourage further improvements.

The installation of excess flow valves and service valves are prescribed within the pipeline safety regulations.

Annual Reports are reviewed for material type and vintage. This data is used to set annual leak prone pipe replacement targets for rate case performance metrics. Additionally, the data in the reports is compared to reported replacement levels to see if metrics have been met.

- | | | | |
|---|--|---|----|
| 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)
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)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | NA |
|---|--|---|----|

Evaluator Notes:

During construction monitoring, incident investigations, and 753 enforcement activities, NY inspectors verify that each operator is following its written procedures pertaining to the notification of excavation, marking, positive response, and the availability and use of the one-call systems. NY inspectors also verify root causes, repeat violators, respond to complaints made by operators, excavators, and third parties regarding the one-call systems, their process, and compliance with applicable regulations.

In addition to promoting and/or adopting CGA Best Practices, NY has incorporated performance measures into the major LDC rate/merger cases. Also, an independent consultant was selected, in Case 13-M-0314, to audit the performance data submitted by several of these jurisdictional pipeline operators. The results of this audit were presented at the March 17, 2016 Session, its recommendations evaluated, and implementation plans completed by the LDCs.

Review incorporated within the 2019 Performance Measures Report, Case 20-G-0195, published on June 11, 2020.

NY DPS have companies report damage data in multiple formats, including marked properly, mechanical damage, human/animal power damage. This data is used in the annual performance metric report and to inform potential rule makings.

- | | | | |
|---|--|---|----|
| 3 | Has the state reviewed the operator's annual report pertaining to Part D ? Excavation Damage?
Yes = 4 No = 0 Needs Improvement = 1-3 <ol style="list-style-type: none">a. Is the information complete and accurate with root cause numbers?b. Has the state evaluated the causes for the damages listed under "One-Call Notification Practices Not Sufficient" (Part D.1.a)?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?d. Is the operator or its locating contractor(s) qualified and following written procedures for locating and marking facilities?e. Is the operator appropriately requalifying locators to address performance deficiencies?f. What is the number of damages resulting from mismarks? | 4 | NA |
|---|--|---|----|

- g. What is the number of damages resulting from not locating within time requirements (no-shows)?
- h. Is the operator appropriately addressing discovered mapping errors resulting in excavation damages?
- i. Are mapping corrections timely and according to written procedures?
- j. Has the state evaluated the causes for the damages listed under "Excavation Practices Not Sufficient" (Part D.1.c.)?

Evaluator Notes:

During construction monitoring, incident investigations, and 753 enforcement activities, NY inspectors verify that each operator is following its written procedures pertaining to the notification of excavation, marking, positive response, and the availability and use of the one-call systems. NY inspectors also verify root causes, repeat violators, respond to complaints made by operators, excavators, and third parties regarding the one-call systems, their process, and compliance with applicable regulations.

Review incorporated within the 2019 Performance Measures Report, Case 20-G-0195, published on June 11, 2020.

NY DPS have companies report damage data in multiple formats, including marked properly, mechanical damage, human/animal power damage. This data is used in the annual performance metric report and to inform potential rule makings.

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? Yes = 2 No = 0 Needs Improvement = 1	2	2
	a. What stakeholder group is causing the highest number of damages to the pipelines? Operator, contractor, locating company or public.		
	b. Has the state verified the operator is appropriately focusing damage prevention education and training to stakeholders causing the most damages?		
	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:

NY collects and evaluates the data associated with pipeline damages per 1,000 locate request. NY published the 2019 Performance Measures Report on June 11, 2019, in Case 20-G-0195.

During rate proceedings, Staff evaluates various training, program-related, and full-time equivalent requests by the operators to support or enhance their damage prevention programs. Typically, Staff is supportive of these request types, and encourages further improvements.

5	General Comments:	Info Only Info Only
	Info Only = No Points	

Evaluator Notes:

The NY DPS is mainly complying with Part F of the Evaluation.

Total points scored for this section: 4
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:

Yes, all inspections were conducted using IA, all planned questions were answered and required forms/documents were complete

- 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:

Notification that inspection was complete and probable violations identified was provided on time.

- 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:

Notification that inspection was complete was provided on time, none included conditions that posed an immediate safety hazard.

- 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:

Yes, three inspections that were not specifically identified were performed: Integrity digs. NY coordinated with PHMSA prior to inspections commencing.

- 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:

Yes, NY investigated several incidents at the request of PHMSA AID, both on interstate pipelines and intrastate pipelines. The investigations were conducted by NY in cooperation with PHMSA.

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

Evaluator Notes:

The NY DPS is mainly complying with Part G of the Evaluation.

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