



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

VIRGINIA STATE CORPORATION COMMISSION

DRAFT

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: Virginia

Agency Status:

Date of Visit: 06/08/2020 - 06/11/2020

Agency Representative: Scott Marshall, Program Manager

PHMSA Representative: Agustin Lopez, State Liaison

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

Name/Title: Mark C. Christie, Chairman

Agency: Virginia State Corporation Commission

Address: 1300 E. Main St.

City/State/Zip: Richmond, VA 23219

Rating:

60105(a): Yes **60106(a):** Yes **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

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

Possible Points Points Scored

0	0
15	15
10	10
50	50
15	15
4	4
0	0
94	94

TOTALS

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 VSCC data and compared with PDM operators. Inspection and operator data are accurate.
- b. Reviewed VSCC data (SQL) to verify inspection days on Attachment 2. Time was also verified thru Time Sheet binder.
- c. Verified operators on Attachment 3 with annual reports in PDM.
- d. There were two incidents in PDM that the VSCC was aware but the incidents didn't meet reportable criteria until 2020.
- e. Only issue is how carried over probable violations are counted. Need to report probable violations that are not corrected/closed by the VSCC by Dec 31 of each year. The number is not the probable violations that can be corrected by the operator.
- f. Records kept by the VSCC are listed in Attachment 6.
- g. Verified qualifications with T&Q Blackboard.
- h. The VSCC has automatic adoption of the federal regulations.
- i. The VSCC has documented planned performance and accomplishments.

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
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
| | <ul style="list-style-type: none">a. Standard Inspections, which include Drug/Alcohol, CRM and Public Awareness Effectiveness Inspectionsb. TIMP and DIMP Inspections (reviewing largest operator(s) plans annually)c. OQ Inspectionsd. Damage Prevention Inspectionse. On-Site Operator Trainingf. Construction Inspections (annual efforts)g. LNG Inspections | | |

Evaluator Notes:

The State Program Procedures, Section 5-B, page 23, describes all Pre-inspection, inspection and post inspection guidelines.

? Pre-inspection Section B (2) Pgs. 23-24

? Inspection Section B (3) Pgs. 24-25

? Post-inspection Section B (5) Pgs. 26-28

Additionally, Section 5, "Inspections", of the procedures list the various types of inspections performed by the program, to include the items listed in "a to g" above. In this section the procedures describe the current maximum interval allowed by PHMSA Program guidance. This serves as the foundation for creating the 10-year inspection plan, which drives the program's annual plan.

Construction activity uses a risk modeling process, which considers Pipe Type Inventory Factors, System Performance Factors, and Transmission Pipeline Factors is described in Section 5-A of the procedures.

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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 |
| | <ul style="list-style-type: none">a. Length of time since last inspectionb. 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:

The Program considers a multitude of factors in its inspection planning process as detailed in response to question number one above. These include but are not limited to: tracking the last time a system was inspected, the overall operating history is tracked by the risk modeling process that considers Pipe Type Inventory Factors, System Performance Factors, and Transmission Pipeline Factors. These factors, include but are not limited to; leak rates, failures, system performance, probable violation history, construction activity, type of construction, class location, a full list is included in pages 18 to 23 of Section 5-A of the Procedures. Additionally, in Section B, describes all Pre-inspection, inspection and post inspection guidelines, Pgs. 23-24.

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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 |
| | <ul style="list-style-type: none">a. Procedures to notify an operator (company officer) when a noncompliance is identifiedb. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns | | |

- c. Procedures regarding closing outstanding probable violations

Evaluator Notes:

State Program Procedures, Section B (5) "Post-Inspection Actives" Pgs. 26-28, the Division has weekly and month SQL Db canned reports showing open inspections, open investigations, etc. to assist in the management team tracking the progress of inspection/investigation work production. Appendix No. 5 of the State Program Procedures. Additionally, the canned reports show if a Notice of Investigation has been generated within the time frame. Additionally, the state program enforcement procedures are listed in the Program Procedures Appendix No. 6. See Open Investigation Canned Report Binder

- 4 (Incident/Accident Investigations) Does the state have written procedures to address state actions in the event of an incident/accident? 3 3

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

- 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:

State Procedures Section Q Investigating Incidents and Accidents Pg. 49 and Appendix No. 7, Incident Investigation Procedures Pg. 84

? Section Q- Discusses State Program On-Call Process

? Appendix No. 7, Section VI (E). "DOT-NTSB Memorandum of Understanding ("MOU")"

? Appendix No 7, Section VI (A) to (D) details the cooperative investigating efforts

? Section VII "VA SCC Response to Incidents, Accidents and Significant Events" details the required information to gather.

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

Evaluator Notes:

The VSCC 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

- | | | | |
|---|---|---|---|
| 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 training requirements with T&Q Blackboard and reviewed inspection reports to verify lead inspectors were qualified to lead inspections.
- b. Yes all DIMP/IMP lead inspectors were qualified to lead inspections.
- c. Yes all LNG inspectors are LNG qualified.
- d. Yes inspectors have taken the Root Cause Analysis training.
- e. VSCC at times may provides outside training.
- f. Yes, reviewed inspection reports to verify lead inspectors were qualified.

- | | | | |
|---|--|---|---|
| 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 |
|---|--|---|---|

Evaluator Notes:

Yes, Scott Marshall is very knowledgeable of the pipeline safety rules and regulations.

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|---|--|-----------|-----------|
| 3 | General Comments:
Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|

Evaluator Notes:

The VSCC is mainly complying with Part C of the Evaluation.

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



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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 | 5 | 5 |
|---|--|---|---|
- a. Standard (General Code Compliance)
 - b. Public Awareness Effectiveness Reviews
 - c. Drug and Alcohol
 - d. Control Room Management
 - e. Part 193 LNG Inspections
 - f. 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)

Evaluator Notes:

Yes, reviewed VSCC's Inspection Summary Reports(ISR) to verify inspections are being conducted at intervals per their procedures for each type of inspection. In addition, the "10 Year Inspection Plan denotes and tracks each type of inspection that has been conducted and when they are scheduled.

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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 | 10 | 10 |
|---|---|----|----|
- a. Standard (General Code Compliance)
 - b. Public Awareness Effectiveness Reviews
 - c. Drug and Alcohol
 - d. Control Room Management
 - e. Part 193 LNG Inspections
 - f. Construction
 - g. OQ (see Question 3 for additional requirements)
 - h. IMP/DIMP (see Question 4 for additional requirements)

Evaluator Notes:

The VA SCC uses PHMSA's IA to conduct inspections. For instance, Form 1, 2, 14, 15, etc. and IA equivalent inspection reports. Completed IA comprehensive audit inspections are exported from IA and loaded into the VA SCC PIPES database. VA SCC PIPES database inspections for field construction, operations and maintenance are generated in the field at the time of the inspection. The fields within PIPES mirrors that of our redundant field inspection checklist.

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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 |
|---|---|---|---|

Evaluator Notes:

Staff performed initial OQ HQ inspections during the OQ Rule deployment. The VA SCC Staff continued to perform protocol 9 field inspections on regular field inspections, examine operator qualifications during incident/accident investigations, and has also conducted standard OQ HQ inspections of all operators per the Division's 10-year inspection plan. As discussed during the last program evaluation, the last completed round was completed in 2019. The VA SCC will continue to perform OQ HQ inspections at planned intervals to ensure operator programs are up to date. In addition, Staff also continues to monitor PHMSA's portal and the VA SCC reporting methods for notices of "significant" OQ plan revision notices from Operators. Should/when these occur a review of the planned changes is conducted.

- 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:

The VSCC performs DIMP and IMP inspections per their 10-year inspection scheduled which was deployed in 1/2015 to be in compliance with PHMSA State Program Guidance. In addition, the Staff receives notices of IM program update annually and/or as they occur. These are reviewed upon receipt. Furthermore, Staff received notices of IM activities through our large construction notice processes, Operator SharePoint/E-rooms/Box and/or TIMP and DIMP email notifications which receive significant changes to plans, planned IM assessment, work and digs. These reviews are continual based on supplied information as they occur.

- 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:

Division Staff perform NTSB and VA SCC Supplemental Question Sets performed with required inspections. These question sets address the items listed above. For low pressure threat analysis, also see the information provided in response to question number four above. Additionally, in the 2020 Inspection Plan, prepared in 2019, VA SCC Staff have reviewed all past NTSB recommendations to operators in Virginia since the inception of the NTSB. They have/are performing inspection activities following up to ensure that even past specific recommendations are still met/in place decades later or have been addressed by regulation change.

- 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:

In 2018 none of the operators in the state had the means to execute a flow reversal on their pipelines. However, following the completion of the VNG Southside Connector Project in February 2019, VNG now has the ability to provide product flow reversals in its natural gas transmission pipeline. All operators are aware of ADP-2014-04. Additionally, as part of other NTSB and VA SCC Supplemental Question Sets and during comprehensive inspections Advisory Bulletins are reviewed during the pre-inspection and inspection processes. Staff regularly distribute Pipeline Safety Newsletters to all operators

which amongst other safety topics, provide updates to include but not limited to advisory bulletins, NTSB recommendations, best practices, etc.

- 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:

State Program Procedures, Section B (5) "Post-Inspection Actives" Pgs. 26-28, the Division has weekly and month SQL Db canned reports showing open inspections, open investigations, etc. to assist in the management team tracking the progress of inspection/investigation work production. Appendix No. 5 of the State Program Procedures. Additionally, the canned reports show if a Notice of Investigation has been generated within the timeframe for compliance. Additionally, the state program enforcement procedures are listed in the Program Procedures Appendix No. 6. See Open Investigation Canned Report Binder. Progress of probable violations are routinely reviewed through canned reported distributed to Staff and management. Further, the Division's SharePoint Site tracks the compliance/enforcement actions.

- 8 (Incident Investigations) Were all incidents investigated, thoroughly documented, with conclusions and recommendations? 10 10

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:

a. The State Program Procedures have a mechanism to receive notices of Incidents, Accidents, other significant events, and NRC notices 24/7 x365. The Division utilizes an on-call phone number distributed to every jurisdictional operator to make reports as soon as practicable but no later than one hour after the event. This process is detailed in Section Q- Discusses State Program On-Call Process. Additionally, the State program has procedures on when and how to launch to an Incident, Accident, or other significant event as deemed by the Program Manager listed in Section Q and also Appendix No. 7

"Incident Investigation Procedures". Within Appendix No. 7, the procedures detail the relationship between the State Program, PHMSA, PHMSA AID, NTSB and other federal and state partner agencies.

- b. The VSCC had adequate records of incident investigations.
- c. All reportable incidents were investigated.
- d. Yes observations were documented.
- e. Yes the VSCC documents the root cause and contributing factors.
- f. Yes when necessary the VSCC provides recommendation or issue probable violations.
- g. Compliance actions are issued when probable violations are discovered during the investigations.
- h. Yes, the VSCC assist the Region and AID whenever they are contacted with issues or questions.
- i. Yes the VSCC shares lessons learned during the NAPS Regional meeting.

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

No deficiencies were noted and no response was necessary to the previous Chairman's letter. The item of "concern" which was noted in the letter, relative to certain inspection types which had previously been deferred, had already been identified by the new program manager and plan of action had already been implemented at the time of the last program evaluation. These inspection types have been completed.

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

The State Program sponsored a Pipeline Safety Conference (seminar) on October 22 to 25, 2018 in Virginia Beach, VA Documentation of the conference can be provided upon request. Additionally, the State Program planned on having a Damage Prevention Conference (seminar) in April of 2020. This conference was canceled due to the COVID-19 pandemic and executive orders by the Governor of Virginia. Additionally, Staff plans on having a Pipeline Safety Conference (seminar) in October 2020. However, this conference may be canceled in light of the COVID19 as well.

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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 |
|-----------|--|-----------|-----------|

Evaluator Notes:

Staff reviews NPMS Data of all operators during standard inspections as this is a question set included in IA and IA equivalent inspection forms. Additionally, Staff performs reviews of annual reports for mileage changes.

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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:

The VA SCC has the following mechanisms for communicating with stakeholders, other than state pipeline safety seminar Division Pipeline Safety Newsletter, e-mail alerts, state website, executive meetings, operator trainings upon request, SCC/ LDC meeting, etc. The VA SCC also hosts pipeline safety program metrics, including enforcement data, aggregate inspection data and evaluation performance scores on our public website. Additionally, the Commission features a docket search feature on its public website. This docket search is keyword, entity name, participant, and division of the commission searchable. Furthermore, contacts for the Commission's PIO and other safety program contacts are publicly available. In May of 2020, the VA SCC also launched a more public centric website, which features intuitive layout and functionality.

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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:

There were no SRC Reports for any Operator under the state programs inspection authority during this evaluation period.

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

The Pipeline Safety Program Manager responded to 67 surveys or incidences of survey response follow up with NAPSR membership. Additionally, the State Program Manager also coordinated and responded to all PHP-50 surveys and requests.

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

The State has not issued any waiver/special permits since 1999.

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

Yes, the VSCC provided all requested documents with no issues. Their electronic files were well organized.

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| 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 | | |
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Evaluator Notes:

Discussed the SICT with the VSCC. The state program has updated the SICT tool prior to the requested due date. There are no issues identified with the inspection days.

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| 18 | Discussion on State Program Performance Metrics found on Stakeholder Communication site.\ http://primis.phmsa.dot.gov/comm/states.htm?nocache=4805 | Info Only | Info Only |
| | Info Only = No Points | | |
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Evaluator Notes:

The State Program Performance Metrics are reviewed regularly by the Program Manager and Program Personnel. Additionally, the program metrics are also reproduced and published on the Program's website. The damages per 1,000 tickets are steadily decreasing which is positive trend. The leak data shows a decrease trend in the leaks scheduled for repair.

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| 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 | | |
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Evaluator Notes:

The pipeline safety program has been engaged with PSMS since its inception. The State program has had numerous Conference topics relative to PSMS even before the final RP was published. The Commission has issued Orders which require certain operators to develop PSMS, other operators have adopted PSMS voluntarily. Staff has performed inspections and reviews of existing PSMS programs dating back to 2017. Furthermore, field inspection staff of the program identify if there are PSMS implications as to probable violations. For example, toleration of inadequate resources, production pressure, nominalization of deviance, etc. Also, field staff recognize award and document when they find pipeline personnel performing more than regulator or procedurally required, showing a "positive safety culture".

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|-----------|-------------------|-----------|-----------|
| 20 | General Comments: | Info Only | Info Only |
|-----------|-------------------|-----------|-----------|
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Info Only = No Points

Evaluator Notes:

The VSCC is mainly complying with Part D of the Evaluation.

Total points scored for this section: 50

Total possible points for this section: 50

DRAFT



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(s): Southwest Virginia Gas Co. and City of Danville

Inspector(s): Eric Horvath and Scott Marshall

Locations: Martinsville, VA and Danville, VA

Dates: August 25 and 27, 2020

PHMSA Rep: Clint Stephens

The Virginia State Corporation Commission performed a cathodic protection field and construction inspection. The operators' representatives were present during the inspections.

- 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:

The inspectors used appropriate inspection forms and were used as a guide for the inspection. That information was then put in the "Pipeline" database.

- 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 inspectors reviewed procedures and asked questions to adequately determine compliance.
- The inspectors reviewed records to adequately evaluate trends, and asked questions of the operator.
- During field inspections, the inspectors ensured procedures were being followed, equipment was properly calibrated, and OQ records were current and valid.
- 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:

The inspectors showed 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 inspectors conducted exit interviews, but no probable violations were found during the inspections.

- 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 inspectors did not perform any unsafe acts during the inspection. The inspectors observed cathodic survey, OQ records review, plastic pipe fusion, and trenching.

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

Evaluator Notes:

There were no issues identified during the field evaluation.

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

DRAFT



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:

The Program's Procedures Section 5-B, "Conducting Inspections" requires consulting PHMSA annual reports, special permits, waivers other reports- including accident and incidents submittals for accuracy. Analysis is used as part of their risk ranking of their inspections.

- | | | | |
|---|--|---|----|
| 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:

In Virginia 100% of all pipeline damages are reported to the VA SCC's Damage Prevention Program which investigates the root cause of each damage by reviewing the Company's failure investigations. Damage Prevention trends are tracked by root cause, i.e. failure to mark, incorrect marks, failure to call, etc. etc. Furthermore, the VA SCC Staff can also track the participants of each stakeholder group, work done for, type of work being performed, location, facility type and numerous other metrics of damage data. This VA SCC data and operator data are compared during the pre-inspection and inspection phases of the inspection activity and are memorialized in Section 5 of the Program's procedures. This information is compared to the Operator's data during applicable pipeline safety inspections such Form 3 or applicable DP Programs reviews or IM inspection to verify that operator have effectively identified excavators and other failures of their damage prevention program and take appropriate responses.

- | | | | |
|---|---|---|----|
| 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?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.)? | 4 | NA |
|---|---|---|----|

Evaluator Notes:

The Program's Procedures Section 5-B, "Conducting Inspections" requires consulting PHMSA annual reports, special permits, waivers other reports- including accident and incidents submittals for accuracies. Staff also reviews Incidents and Accident Reports with PHMSA AID for accuracy.

- | | | | |
|---|---|---|---|
| 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 <ol style="list-style-type: none">a. What stakeholder group is causing the highest number of damages to the pipelines? Operator, contractor, locating company or public. | 2 | 2 |
|---|---|---|---|

- 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:

The VSCC tracks the current damages per 1,000 ratio and evaluates trends based on this metric and also the numerous damage prevention metrics we develop and track internally. Our current damage prevention ratio is 1.06 per 1,000. Currently, the damaging stakeholder of "excavators" is the leading cause of damages. In addition to tracking damages by root cause, 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.

The State Program can also track damages by party, damages attributed to exemptions in our damage prevention law. Damage prevention trends can also be broken down by excavator type, operator, geographical area, damage method (hand, mechanized equipment, drilling, etc.), work being performed (installing utilities, roadwork, landscaping, augering, etc.)

5 General Comments:

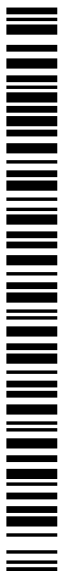
Info Only Info Only

Info Only = No Points

Evaluator Notes:

The VSCC 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 Interstate 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 notice of all 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, four inspections that were not specifically identified were performed: Integrity digs. VA SCC 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, VA SCC investigated several incidents at the request of PHMSA AID, both on interstate pipelines and intrastate pipelines. The investigations were conducted by VA SCC in cooperation with PHMSA.

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

Evaluator Notes:

The VSCC is mainly complying with Part G of the Evaluation.

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