

PHMSA UNDERGROUND NATURAL GAS STORAGE (UNGS)
Illinois OOGRM PROGRAM EVALUATION – CY2019
CONDUCTED 07/27-28/2020

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TOTAL PROGRAM EVALUATION POINTS	79 of 86 (113)

PHMSA UNGS STATE PROGRAM EVALUATION – CY2019

A – PROGRESS REPORT AND PROGRAM DOCUMENTATION REVIEW THIS SECTION ANALYZES ACCURACY AND COMPLETENESS OF ANNUAL PROGRESS REPORT		SCORE
1	<p>Accuracy of Jurisdictional Authority and Operator/Inspection Units Data – Progress Report Attachment 1 (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes, Attachment 1 & 3 agree, and IL is using existing OIL & Gas State Law and regulations to justify UNGS regulation in 2019; they are working to bring the items of Attachment 8 into compliance during 2020.</p>	1
2	<p>Review of Inspection Days for accuracy – Progress Report Attachment 2 (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: NI, 0.5 of 1 point. Attachment 2 must be revised to remove duplicate counts of the same day by a given inspector. Corrected Field day count is 90.</p>	1
3	<p>Accuracy verification of Operators and Operators Inspection Units in State – Progress Report Attachment 3 (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes. Attachment 3 agrees with attachment 1 and is consistent with IL OOGRM records. 6 operators, 5 op ids. Pioneer will be contacted about filing for an op id.</p>	1
4	<p>Accuracy verification of Compliance Activities – Progress Report Attachment 5 (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes, Attachment 5 is consistent with IL OOGRM records.</p>	1
5	<p>Were UNGS program files well-organized and accessible? - Progress Report Attachment 6 (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes, Attachment 6 is consistent with IL OOGRM records. Noted two typos: OG-06 Well Plugging Reports & OG-13/23 Internal Mechanical Integrity are the correct titles. Discussed the need to proof read the Attachments.</p>	2
6	<p>Was employee listing and completed training accurate and complete? – Progress Report Attachment 7 (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes. Attachment 7 is consistent with IL OOGRM records. (.52 inspector years)</p>	1
7	<p>Verification of Part 192 and 199 Rules and Amendments – Progress Report Attachment 8 (Yes= 1 point, No= 0 Points)</p> <p>Comments: Yes, Attachment 8 agrees with internal records. Part 192 and 199 are being considered for adoption. Discussed the need to get the items listed in Attachment 8 adopted ASAP.</p>	1
8	<p>List of Planned Performance - Did State describe accomplishments on Progress Report in detail – Progress Report Attachment 10 (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes. Attachment 10 is an accurate report of 2019 activities.</p>	1

9	<p>General Comments: Ms. Colleen Callahan, Director, Illinois Department of Natural Resources, One Natural Resources Way, Springfield, Illinois, 62702-1271; Ernest Kierbach, Field Manager OOGRM; Patrick Gaume, Evaluator. UNGS PROGRESS REPORT REVIEW score is 40 of 50: 6 pt. reduction due to 60106 jurisdiction. 4 pt. reduction due to highest percentage of inspectors are in Category 1, II and III. No incidents were reported in UNGS for 2019. Part A scored 8.5 of 9 points. Question 2 was NI for a 0.5 point reduction.</p>	9
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<p align="center">B – PROGRAM INSPECTION PROCEDURES</p> <p align="center">Does State Inspection Plan include procedures that address the following elements? (See Guidelines Section 5.1)</p>		
1	<p>Does State have written inspection procedures? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes. See UNGS 60106 Agreement Procedures Manual (60106); (also see UNGS Procedures Manual (old Manual)).</p>	2
2	<p>Standard Inspections</p> <p>Do Standard Inspection procedures give guidance to State inspectors that insure consistency for inspections conducted by the State? The following elements should be addressed at a minimum.</p> <ul style="list-style-type: none"> • Pre-Inspection Activities • Inspection Activities • Post Inspection Activities <p>(Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes. See 60106 Section V; and Well Inspector's Field Manual.</p>	2
3	<p>Specialized Inspections</p> <p>Do Specialized Inspection procedures give guidance to State inspectors that insure consistency for inspections conducted by the State? The following elements should be addressed at a minimum.</p> <ul style="list-style-type: none"> • Pre-Inspection Activities • Inspection Activities • Post Inspection Activities <p>(Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes. See 60106 Section V; and Well Inspector's Field Manual.</p>	2

4	<p>Design, Testing, and Construction Inspections</p> <p>Do Design, Testing, and Construction Inspection procedures give guidance to State inspectors that insure consistency for Inspections conducted by the State? The following elements should be addressed at a minimum.</p> <ul style="list-style-type: none"> • Pre-Inspection Activities • Inspection Activities • Post Inspection Activities <p>(Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes. See 60106 Section V; and Well Inspector's Field Manual.</p>	1
5	<p>Drug and Alcohol Inspections</p> <p>Do Drug and Alcohol Inspection procedures give guidance to State inspectors that insure consistency for Inspections conducted by the State? The following elements should be addressed at a minimum.</p> <ul style="list-style-type: none"> • Pre-Inspection Activities • Inspection Activities • Post Inspection Activities <p>(Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: No, 0 of 1 point, not presently in the manual. Discussed the need for an inspector to attend Operator HQ D&A inspections usually with the IL Commerce Commission acting as Inspection Lead. Also, must address D&A considerations in the event of incidents or abnormal operation conditions. This problem was found last year and progress must be made in this area. Also, D&A training at OKC, TQ Center is a requirement.</p>	1
6	<p>Does inspection plan address inspection priorities of each inspection unit, based on the following elements?</p> <ul style="list-style-type: none"> • Length of time since last inspection (Within five-year interval per inspection unit) • Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) • Type of activity being undertaken by operators in inspection units (i.e. construction) • Locations of operator's inspection units being inspected - (HCA's, Geographic area, Population Density, etc.) • Process to identify high-risk inspection units considering integrity threats • Are inspection units broken down appropriately? <p>(Yes= 6 points, No= 0 Points, NI=1-5 points)</p> <p>Comments: NI 4 of 6 points. See Chapter IV. OPERATIONS, Section B. Inspection Priorities. Added for this year is the second paragraph to use PHMSA's UNGS Risking spreadsheet. The bulleted items still need to be more clearly stated and better integrated with other IL OOGRM priorities. Continued improvement is needed.</p>	6
7	<p>General Comments: Part B scored 11 of 14 points. Question 5 was 'No' and Question 6 was 'NI'.</p>	14

C – PROGRAM PERFORMANCE		
1	<p>Was ratio of Total Inspection Person-Days to Total Person-Days acceptable? (Chapter 4.2)</p> <p>A = Total Inspection Person Days (Attachment 2) B = Total Inspection Person Days Charged to the program (220 x Number of Inspection person years from Attachment 7) Ratio = A/B If Ratio >= .38 then score = 5 points. If Ratio < .38 then score = 0 points. (Yes= 5 points, No= 0 Points) Comments: Yes. $90/ (.52 \times 220) = .787 > .38$ okay. Number is somewhat large because inspector years is calculated from payroll, by the hour; inspector Field time is by the inspector day, and there were several days of less than 8 hours in the field.</p>	5
2	<p>Has each Inspector and Program Manager fulfilled the TQ Training Requirements? (See Guidelines Appendix C for requirements and Chapter 4.3.1) (Yes= 5 points, No= 0 Points, NI=1-4) Comments: Yes. All inspectors are within the 3 years to acquire the necessary training.</p>	5
3	<p>Does State use the PHMSA Inspection Assistant (IA) program to document inspections? (Yes= 2 points, No= 0 Points, NI=1 point) Comments: Okay, a printed version of the IA form was used. The IA program must be used for 2020 work.</p>	2
4	<p>Did records and discussions with Program Manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 (Yes= 2 points, No= 0 Points, NI=1 point) Comments: NI 1 of 2 points. Improvement in skills is shown but more work is needed.</p>	2
5	<p>Did State respond to PHMSA's Evaluation Letter within 60 days and correct or address any noted deficiencies? Chapter 8.1 (Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. PHMSA letter was sent November 20, 2019, and response was sent January 10, 2020. Each deficiency was addressed.</p>	2
6	<p>Did State inspect all types of operators and inspection units in accordance with time intervals established in their written procedures? Chapter 5.1 (Yes= 5 points, No= 0 Points, NI=1-4 points) Comments: Yes, on a 5-year inspection cycle for initial inspections and thereafter, with the exception of wellhead inspections being required annually.</p>	5
7	<p>Did State Inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Chapter 5.1 (Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. The IA question set is used.</p>	2
8	<p>Did State complete all applicable portions of inspection forms? (Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. The forms are complete except for two items on the NICOR inspection that NICOR is tasked to respond to.</p>	2

9	<p>Has the State reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes. The annual reports have been downloaded, disaggregated, and studied for trends and missing information. There have been no incidents.</p>	2
10	<p>Is the State verifying operators are conducting drug and alcohol tests required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199 (Yes= 2 points, No= 0 Points, NI= 1 point)</p> <p>Comments: NI, 1 of 2 points. IL OOGRM has not started collaborating with ILCC concerning the D&A tests and adopting 199 is a work in progress.</p>	2
11	<p>Does the State have a mechanism for communicating with stakeholders regarding the inspection and enforcement program? (This should include making enforcement cases available to public). (Yes= 1 points, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes, IL OOGRM has a website that includes contact information, regulations, and forms; IL OOGRM has operator contact information and communicates needed information to the operators; IL OOGRM has an open-door policy.</p>	1
12	<p>Did State execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (Yes= 1 points, No= 0 Points, NI=.5 point)</p> <p>Comments: NA. No SRCs in this program's history.</p>	NA
13	<p>Did the State participate in/respond to surveys or information requests from PHMSA? (Yes= 1 points, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes, IL OOGRM responds to PHMSA requests.</p>	1
14	<p>Did the State forward any potential waivers/permits to PHMSA for review prior to issuing them to operators? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: NA, there are none. New Partner effective 2018</p>	NA
15	<p>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 point, No= 0 Points, NI=.5 point)</p> <p>Comments: NA, there are none. New Partner effective 2018</p>	NA
16	<p>General Comments: Part C scored 29 of 31 points. 3 questions were NA. Questions 4 & 10 were NI.</p>	34

D – COMPLIANCE ACTIVITIES		
1	<p>Does the State have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1</p> <ul style="list-style-type: none"> • Procedures to notify an operator (company officer) when a noncompliance is identified • Procedures to routinely review progress of compliance actions to prevent delays or breakdowns • Procedures regarding closing outstanding probable violations <p>(Yes= 4 points, No= 0 Points, NI=1-3 points) Comments: Yes, see IL OOGRM Administrative Rule 62-240, Sub Part A, Sections 240.125-240.186.</p>	4
2	<p>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</p> <ul style="list-style-type: none"> • Were compliance actions sent to company officer or manager/board member if municipal/government system? • Document probable violations • Resolve probable violations • Routinely review progress of probable violations • ; and <p>(Yes= 4 points, No= 0 Points, NI=1-3 points) Comments: Yes. Contact and interaction with operators is fine, and contact with PHMSA, Eastern Region, for UNGS enforcement actions has improved.</p>	4
3	<p>Did State within 30 days of the end of an inspection conduct a post-inspection briefing with the owner or operator of the UNGS facility inspected outlining any concerns identified during the inspection?</p> <p>(Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes, there is a 'Post Inspection Briefing' performed at the close of every inspection.</p>	2
4	<p>Did State within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection?</p> <p>(Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes, the Exit interview is reviewed and revised as necessary and emailed to the operator within 10 working days.</p>	2
5	<p>Did the State issue compliance actions for all probable violations discovered?</p> <p>(Yes= 2 points, No= 0 Points, NI=1 point) Comments: NA for a 60106 partner. They have issued violations of State regulations. They have also identified concerns and unsatisfactory items while performing federal UNGS inspections and have been reminded to forward them to PHMSA for handling.</p>	NA
6	<p>Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary.</p> <p>(Yes= 2 points, No= 0 Points) Comments: Yes. They followed their procedures.</p>	2

7	<p>Is the Program Manager familiar with State process for imposing civil penalties? (describe any actions taken) (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes, see IDNR Administrative Rule 62-240, Sub Part A, Sections 240.125-240.186.</p>	2
8	<p>Were civil penalties considered for repeat violations, violations which can't be corrected by other means, or violations resulting in incidents? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes, see IDNR Administrative Rule 62-240, Sub Part A, Sections 240.125-240.186. IL OOGRM followed their procedures.</p>	2
9	<p>Can the State demonstrate it is using their enforcement fining authority for safety violations? (Yes= 1 point, No= 0 Points, NI= .5 point)</p> <p>Comments: NA for a 60106 partner. There are several examples where IL OOGRM has issued fines.</p>	NA
10	General Comments: Part D scored 18 of 18 points. Questions 5 & 9 were NA.	21

E – INCIDENT INVESTIGATIONS		
1	<p>Does the State have written procedures to address State actions in the event of an incident? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes, it is in the General Field Manual which is referenced by the UNGS Procedures Manual.</p>	2
2	<p>Does State have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes, see Sections 240.1853, 24.1854, & 240.1880. See Form OG 21A and others.</p>	2
3	<p>Did the State keep adequate records of Incident notifications received? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: NA, none. It would be kept electronically as a sub-part of the Operator file and in the Enforcement File if a violation was found.</p>	NA
4	<p>If onsite investigation was not made, did State obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 (Yes= 1 point, No= 0 Points, NI= .5 point)</p> <p>Comments: NA, none. Per Field Procedures manual all incidents that meet State criteria for reporting, (see Section 240.1880) must be on-site investigated within 48 hours. Per 240.1805 the IL definition of 'incident' is more stringent than the Federal definition of 'significant incident'.</p>	NA
5	<p>Were all incidents investigated, thoroughly documented, and with conclusions and recommendations?</p> <ul style="list-style-type: none"> • Observations and document review • Contributing Factors • Recommendations to prevent recurrences where appropriate <p>(Yes= 3 points, No= 0 Points, NI=1-2 points)</p> <p>Comments: NA, none. This is a new partnership since 2018.</p>	NA
6	<p>Did the State initiate compliance action for violations found during any incident investigation? (Yes= 1 point, No= 0 Points)</p> <p>Comments: NA, none. This is a new partnership since 2018.</p>	NA
7	<p>Did the State assist the 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? (validate report data from operators concerning incidents and investigate discrepancies) Chapter 6 (Yes= 1 point, No= 0 Points, NI= .5 point)</p> <p>Comments: NA, none. This is a new partnership since 2018. They are willing to do so.</p>	NA
8	<p>Does State share lessons learned from incidents with PHMSA? (Yes= 1 point, No= 0 Points)</p> <p>Comments: NA, none. This is a new partnership since 2018. They are willing to do so.</p>	NA

9	General Comments: Part E scored 4 of 4 points. 6 questions are NA, 9 points were removed from the question set.	13
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F – DAMAGE PREVENTION		
1	<p>Did the State inspector verify UNGS operators are following their written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system? (API 1171 Section 11.10 Public Awareness and Damage Prevention) (Yes= 2 points, No= 0 Points, NI=1 Point)</p> <p>Comments: Yes. This question is asked and answer received.</p>	2
2	<p>Did the State encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (Common Ground Alliance Best Practices, support excavation damage prevention legislation, etc.) (Yes= 2 points, No= 0 Points, NI=1 Point)</p> <p>Comments: Yes, with the operator. ILCC is the lead with Damage Prevention; will support ILCC as requested.</p>	2
3	<p>General Comments: Part F scored 4 of 4 points.</p>	4

G – FIELD INSPECTIONS		
1	Operator, Inspector, Location, Date and PHMSA Representative Comments: NC. A Field Evaluation could not be arranged due to COVID 19.	
2	Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (Yes= 1 point, No= 0 Points) Comments: NC. A Field Evaluation could not be arranged due to COVID 19.	NC
3	Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (Yes= 2 points, No= 0 Points, NI=1 Point) Comments: NC. A Field Evaluation could not be arranged due to COVID 19.	NC
4	Did the inspector thoroughly document results of the inspection? (Yes= 2 points, No= 0 Points, NI=1 Point) Comments: NC. A Field Evaluation could not be arranged due to COVID 19.	NC
5	Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Yes= 1 point, No= 0 Points) Comments: NC. A Field Evaluation could not be arranged due to COVID 19.	NC
6	Did the inspector adequately review the following during the field portion of the State Program Evaluation? <ul style="list-style-type: none"> • Procedures • Records • Field Activities/Facilities • Other (please comment) (Yes= 2 points, No= 0 Points, NI=1 Point) Comments: NC. A Field Evaluation could not be arranged due to COVID 19.	NC
7	Did the inspector have adequate knowledge of the UNGS safety program and regulations? (Evaluator will document reasons if unacceptable) (Yes= 2 points, No= 0 Points, NI=1 Point) Comments: NC. A Field Evaluation could not be arranged due to COVID 19.	NC
8	Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) (Yes= 1 point, No= 0 Points) Comments: NC. A Field Evaluation could not be arranged due to COVID 19.	NC

[illegible]

H - 60106 AGREEMENT STATE (if applicable)		
1	<p>Did the State use the current federal inspection form(s)? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes. IA was used in 2019.</p>	1
2	<p>Are results documented demonstrating inspection units were reviewed in accordance with State inspection plan? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: NI 0.5 of 1. No improvement in 2019 from 2018, a formal plan was not generated, but the informal plan to visit every operator was followed and the State Policy to visit every well was accomplished.</p>	1
3	<p>Were any probable violations identified by State referred to PHMSA for compliance action? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes. IL OOGRM has established good communication with PHMSA Eastern Region for compliance actions.</p>	1
4	<p>Did the State immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes. Process is in place. No imminent safety hazards in 2019.</p>	1
5	<p>Did the State give written notice to PHMSA within 60 days of all probable violations found? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: No, 0 of 1 point. The 60 days was missed but a better process was developed as a result.</p>	1
6	<p>Did the State initially submit adequate documentation to support compliance action by PHMSA on probable violations? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes. Eastern Region received all necessary information.</p>	1
7	<p>General Comments: Part H scored 4.5 of 6 points. Question 2 was NI, and Question 5 was No.</p>	6