

**PHMSA UNDERGROUND NATURAL GAS STORAGE (UNGS)**  
**Pennsylvania STATE PROGRAM EVALUATION – CY2018**  
**CONDUCTED 8/26-30/2019**

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## PHMSA UNGS STATE PROGRAM EVALUATION – CY2018

<b>A – PROGRESS REPORT AND PROGRAM DOCUMENTATION REVIEW</b> <b>THIS SECTION ANALYZES ACCURACY AND COMPLETENESS OF ANNUAL PROGRESS REPORT</b>		SCORE
1	Accuracy of Jurisdictional Authority and Operator/Inspection Units Data – Progress Report Attachment 1 (Yes= 1 point, No= 0 Points, NI=.5 point) <b>Comments:</b> Yes. Attachment 1 agrees with internal records and attachments 3 & 8.	1
2	Review of Inspection Days for accuracy – Progress Report Attachment 2 (Yes= 1 point, No= 0 Points, NI=.5 point) <b>Comments:</b> Yes. 26 inspection days. Agrees with internal records.	1
3	Accuracy verification of Operators and Operators Inspection Units in State – Progress Report Attachment 3 (Yes= 1 point, No= 0 Points, NI=.5 point) <b>Comments:</b> Yes. Agrees with internal records. Agrees with the Federal list of annual reports.	1
4	Accuracy verification of Compliance Activities – Progress Report Attachment 5 (Yes= 1 point, No= 0 Points, NI=.5 point) <b>Comments:</b> Yes. Agrees with internal records. 0 incidents, no history of incidents found for the last several years.	1
5	Were UNGS program files well-organized and accessible? - Progress Report Attachment 6 (Yes= 2 points, No= 0 Points, NI=1 point) <b>Comments:</b> Yes. Agrees with internal records.	2
6	Was employee listing and completed training accurate and complete? – Progress Report Attachment 7 (Yes= 1 point, No= 0 Points, NI=.5 point) <b>Comments:</b> <b>NI-0.5 points.</b> A blanket 10%-time report for all supervisors and inspectors does not agree with the Year End Payment Request. A UNGS time code must be developed for payroll accounting. Attachment 7 needs to be revised and compared against the NG and HL Attachment 7 reports.	1
7	Verification of Part 192 and 199 Rules and Amendments – Progress Report Attachment 8 (Yes= 1 point, No= 0 Points) <b>Comments:</b> Yes. Agrees with internal records.	1
8	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) <b>Comments:</b> Yes. The attachment was completed.	1
9	<b>General Comments: 0.5 points was lost due to problems with Attachment 7. 8.5 of 9 possible points were awarded.</b> <b>Significant incidents? - none.</b>  <b>Chris DeMarco, supervisor; Tyler Meritt, Melissa McFeaters, Israel Gray, David Kline, Matthew Matse</b> <b>Chairman: Gladys Brown Dutrieuille, Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120</b>	9

	<p><b>Fyi, Jan Freeman, PUC Executive Director, retired abt June, 2019. The new Executive Director is Seth A. Mendelson, Executive Director, PUC.</b></p> <p><b>Paul Metro, Program Manager, retires Friday August 30, 2019. Successor has not been named. Possible successor Rob Horensky, Supervisor in Philadelphia.</b></p> <p><b>Chris DeMarco, will retire on October 11, 2019.</b></p>	
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<b>B – PROGRAM INSPECTION PROCEDURES</b> Does State Inspection Plan include procedures that address the following elements? (See Guidelines Section 5.1)		
1	<p>Does State have written inspection procedures?  (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p><b>Comments:</b> Yes. They were developed from the NG Program.</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"> <li>• Pre-Inspection Activities</li> <li>• Inspection Activities</li> <li>• Post Inspection Activities</li> </ul> <p>(Yes= 2 points, No= 0 Points, NI=1 point)</p> <p><b>Comments:</b> Yes. All areas were addressed. Commented that UNGS inspections need to be done within IA.</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"> <li>• Pre-Inspection Activities</li> <li>• Inspection Activities</li> <li>• Post Inspection Activities</li> </ul> <p>(Yes= 2 points, No= 0 Points, NI=1 point)</p> <p><b>Comments:</b> Yes. All areas were addressed. Commented that UNGS inspections need to be done within IA.</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"> <li>• Pre-Inspection Activities</li> <li>• Inspection Activities</li> <li>• Post Inspection Activities</li> </ul> <p>(Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p><b>Comments:</b> NI 0.5 point. Pipeline Construction is not adequate. Construction in a UNGS facility needs to be addressed.</p>	1

5	<p><b>Drug and Alcohol Inspections</b></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"> <li>• Pre-Inspection Activities</li> <li>• Inspection Activities</li> <li>• Post Inspection Activities</li> </ul> <p>(Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p><b>Comments:</b> Yes. All areas were addressed.</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"> <li>• <b>Length of time since last inspection (Within five-year interval per inspection unit)</b></li> <li>• <b>Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)</b></li> <li>• <b>Type of activity being undertaken by operators in inspection units (i.e. construction)</b></li> <li>• <b>Locations of operator's inspection units being inspected - (HCA's, Geographic area, Population Density, etc.)</b></li> <li>• <b>Process to identify high-risk inspection units considering integrity threats</b></li> <li>• <b>Are inspection units broken down appropriately?</b></li> </ul> <p>(Yes= 6 points, No= 0 Points, NI=1-5 points)</p> <p><b>Comments:</b> Yes. See 'Procedures for determining inspection priorities'.</p>	6
7	<p><b>General Comments:</b> 0.5 points lost in this section due to inadequate Construction Inspection procedures. 13.5 of 14 points were awarded.</p>	14

C – PROGRAM PERFORMANCE		
1	<p>Was ratio of Total Inspection Person-Days to Total Person-Days acceptable? (Chapter 4.2)</p> <p><b>A = Total Inspection Person Days (Attachment 2)</b>  <b>B = Total Inspection Person Days Charged to the program</b>  <b>(220 x Number of Inspection person years from Attachment 7)</b>  <b>Ratio = A/B      If Ratio &gt;= .38 then score = 5 points. If Ratio &lt; .38 then score = 0points.</b>  (Yes= 5 points, No= 0 Points)  <b>Comments:</b> Yes. 26 insp days/220 days/yr/0.3 inspector years=0.394. okay.</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)</p> <p>(Yes= 5 points, No= 0 Points, NI=1-4)  <b>Comments:</b> Yes. Israel Gray, Matt Matse, &amp; Lassine Niambele are TQ certified for UNGS.</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)</p> <p><b>Comments:</b> NO. 0 points. IA was not used for UNGS in 2018.</p>	2
4	<p>Did records and discussions with Program Manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1</p> <p>(Yes= 2 points, No= 0 Points, NI=1 point)  <b>Comments:</b> Yes.</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</p> <p>(Yes= 2 points, No= 0 Points, NI=1 point)  <b>Comments:</b> NA. There was no letter. This is the first year for the UNGS Program.</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</p> <p>(Yes= 5 points, No= 0 Points, NI=1-4 points)  <b>Comments:</b> NI 4 of 5 points. Inspection frequency for UNGS has not been addressed nor were all UNGS Units inspected in 2018.</p>	5
7	<p>Did State Inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Chapter 5.1</p> <p>(Yes= 2 points, No= 0 Points, NI=1 point)  <b>Comments:</b> Yes. Used the 1171 inspection form from the TQ class. I repeated the necessity that UNGS facilities be inspected using IA in the future.</p>	2
8	<p>Did State complete all applicable portions of inspection forms?</p> <p>(Yes= 2 points, No= 0 Points, NI=1 point)  <b>Comments:</b> Yes. The forms were filled out. Results for each question need to be more clearly indicated. 2018 was initial round of inspections and they were more workshops than actual inspections.</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?</p> <p>(Yes= 2 points, No= 0 Points, NI=1 point)  <b>Comments:</b> Yes. Could also be scored as NA; First year of program, Annual Reports were reviewed and there were no incidents reported or found.</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</p> <p>(Yes= 2 points, No= 0 Points, NI= 1 point)</p> <p><b>Comments:</b> Yes. D&amp;A are addressed during HQ Inspections and they are applicable to UNGS.</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).</p> <p>(Yes= 1 points, No= 0 Points, NI=.5 point)</p> <p><b>Comments:</b> Yes. PA sponsors a Pipeline Safety Seminar every year and shares enforcement cases at that time. Info is also available on the website.</p>	1
12	<p>Did State execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3</p> <p>(Yes= 1 points, No= 0 Points, NI=.5 point)</p> <p><b>Comments:</b> NA. none. SRC are in the procedures.</p>	1
13	<p>Did the State participate in/respond to surveys or information requests from PHMSA?</p> <p>(Yes= 1 points, No= 0 Points, NI=.5 point)</p> <p><b>Comments:</b> Yes. PA PUC responds to PHMSA requests.</p>	1
14	<p>Did the State forward any potential waivers/special permits to PHMSA for review prior to issuing them to operators?</p> <p>(Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p><b>Comments:</b> NA. no waivers relative to UNGS.</p>	1
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.</p> <p>(Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p><b>Comments:</b> NA. no waivers relative to UNGS.</p>	1
16	<p><b>General Comments: 3 points were lost in this section, see C3 &amp; C6. Four questions are NA, C5, C12, C14, &amp; C15. Score is 26 of 29 points.</b></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"> <li>• <b>Procedures to notify an operator (company officer) when a noncompliance is identified</b></li> <li>• <b>Procedures to routinely review progress of compliance actions to prevent delays or breakdowns</b></li> <li>• <b>Procedures regarding closing outstanding probable violations</b></li> </ul> <p>(Yes= 4 points, No= 0 Points, NI=1-3 points)  <b>Comments: Yes. It is in the procedures.</b></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"> <li>• Were compliance actions sent to company officer or manager/board member if municipal/government system?</li> <li>• Document probable violations</li> <li>• Resolve probable violations</li> <li>• Routinely review progress of probable violations</li> <li>• ; and</li> </ul> <p>(Yes= 4 points, No= 0 Points, NI=1-3 points)  <b>Comments: Yes. It is in the procedures. No violations in 2018.</b></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)  <b>Comments: Yes. Exit briefings were conducted at the end of the inspection before leaving location.</b></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)  <b>Comments: Yes. The inspection form was emailed within 60 days.</b></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)  <b>Comments: NA. no violations found.</b></p>	2
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)  <b>Comments: Yes. Due process is given to all, no violations.</b></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><b>Comments: Yes, The Program manager and his staff are familiar with the process.</b></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><b>Comments: NA. no UNGS violations have been assessed.</b></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><b>Comments: Yes. There have been fines within the last 10 years on the NG side.</b></p>	1
10	<p><b>General Comments: 2 questions, 4 points are NA. Section scored 17 of 17 points.</b></p>	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><b>Comments: Yes. See UNGS Procedures, Reportable Failure Investigation.</b></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><b>Comments: Yes. See pg 57, UNGS Procedures, Gas Failure investigation Policy.</b></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><b>Comments: NA. no incidents in UNGS.</b></p>	2
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><b>Comments: NA. no incidents in UNGS. Procedures are in place. Normal practice is to respond on-site for significant and other incidents.</b></p>	1
5	<p>Were all incidents investigated, thoroughly documented, and with conclusions and recommendations?</p> <ul style="list-style-type: none"> <li>• <b>Observations and document review</b></li> <li>• <b>Contributing Factors</b></li> <li>• <b>Recommendations to prevent recurrences where appropriate</b></li> </ul> <p>(Yes= 3 points, No= 0 Points, NI=1-2 points)</p> <p><b>Comments: NA. no incidents in UNGS. Procedures are in place to investigate.</b></p>	3
6	<p>Did the State initiate compliance action for violations found during any incident investigation? (Yes= 1 point, No= 0 Points)</p> <p><b>Comments: NA. none. Procedures are in place.</b></p>	1
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><b>Comments: NA. none. PA is completely willing to do so.</b></p>	1
8	<p>Does State share lessons learned from incidents with PHMSA? (Yes= 1 point, No= 0 Points)</p> <p><b>Comments: Yes. Process is in place to share during Eastern Region NAPSR Meetings.</b></p>	1

9	<b>General Comments: There were no incidents. There is no history of UNGS incidents in PA. 5 questions, 8 points are NA. 5 of 5 points awarded.</b>	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><b>Comments: Yes, procedures are in place, no UNGS excavation work has occurred.</b></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><b>Comments: Yes. PUC supports Paradigm, promotion of 811, has active enforcement, and other outreach forums.</b></p>	2
3	<p><b>General Comments: 4 of 4 points were awarded in this section.</b></p>	4

G – FIELD INSPECTIONS		
1	Operator, Inspector, Location, Date and PHMSA Representative <b>Comments: Columbia Gas of PA, opid 02600; Israel Gray &amp; Matt Matse, inspectors; 8/27-28/19; Patrick Gaume</b>	
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) <b>Comments: Yes. It was scheduled, 6 Columbia Personnel participated in the Inspection, and it was performed at their Blackhawk Storage Field Office, 115 Feit Ln, Beaver Falls, PA. 15010</b>	1
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) <b>Comments: NI 1 point. IA was not used and the IA UNGS Form was not used. The 1171 Form from the TQ Class was used. That IA needs to be used was well discussed.</b>	2
4	Did the inspector thoroughly document results of the inspection? (Yes= 2 points, No= 0 Points, NI=1 Point) <b>Comments: Yes. The 1171 Form was filled out and Israel &amp; Matt will check the current IA UNGS Form and get it complete.</b>	2
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) <b>Comments: Yes, Everything for procedures, records and field was available, including how to winch stuck pickups out of the mud. Remarkable how the well location was a stealth mud pit.</b>	1
6	Did the inspector adequately review the following during the field portion of the State Program Evaluation? <ul style="list-style-type: none"> <li>• Procedures</li> <li>• Records</li> <li>• Field Activities/Facilities</li> <li>• Other (please comment)</li> </ul> (Yes= 2 points, No= 0 Points, NI=1 Point) <b>Comments: Yes, for Procedures, records, and Field.</b>	2
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) <b>Comments: Yes. Israel and Matt are experienced inspectors and have passed the TQ UNGS course.</b>	2
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) <b>Comments: Yes. Discovery! Last injection was October 2015, and decision the deplete the reservoir was in 1<sup>st</sup> qtr 2016. Gas injection has been terminated and the Field is in a 7yr+- plan to produce to depletion at 100 MMCF/yr, 750 MMCF remaining reserves. Concerns; field gas reserves don't agree with the Annual Report. Sec 8.4 Threat Assessment – outside data needs to be better referenced in the UNGS O&amp;M; Sec 9.3 – need to run more well logs. O&amp;M Plan doesn't state that valves will be locked. O&amp;M Plan needs to address well signs and changes in well</b>	1

	<b>signs. The blow out contingency plan has not been finalized. Mock Drills and Table Tops, while being developed, have NOT been performed. Discussed air/soil interface on well casings and advisability of correcting short bolts on wellheads when appropriate.</b>	
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[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><b>Comments: NA. H1-7 not a 60106 Agreement Program.</b></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><b>Comments: NA. H1-7 not a 60106 Agreement Program.</b></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><b>Comments: NA. H1-7 not a 60106 Agreement Program.</b></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><b>Comments: NA. H1-7 not a 60106 Agreement Program.</b></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><b>Comments: NA. H1-7 not a 60106 Agreement Program.</b></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><b>Comments: NA. H1-7 not a 60106 Agreement Program.</b></p>	1
7	<p><b>General Comments: NA. H1-7 not a 60106 Agreement Program.</b></p>	6