

PHMSA UNDERGROUND NATURAL GAS STORAGE (UNGS)
Pennsylvania PUC PROGRAM EVALUATION – CY2019
CONDUCTED 08/17-19/2020

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H - 60106 AGREEMENT STATE (if applicable)	NA, 0 of 0 (6)
TOTAL PROGRAM EVALUATION POINTS	90.5 of 92 (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	Accuracy of Jurisdictional Authority and Operator/Inspection Units Data – Progress Report Attachment 1 (Yes= 1 point, No= 0 Points, NI=.5 point) Comments: NI 0.5 of 1 point. The correct Unit count for 2019 is 9 Units. Attachment 1 was corrected During the Evaluation.	1
2	Review of Inspection Days for accuracy – Progress Report Attachment 2 (Yes= 1 point, No= 0 Points, NI=.5 point) Comments: Yes. Attachment 2 is consistent with PA 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) Comments: Yes. Attachment 3 is consistent with PA internal records.	1
4	Accuracy verification of Compliance Activities – Progress Report Attachment 5 (Yes= 1 point, No= 0 Points, NI=.5 point) Comments: Yes. Attachment 5 is consistent with PA internal records.	1
5	Were UNGS program files well-organized and accessible? - Progress Report Attachment 6 (Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. Some improvements were discussed to better define sources of information and where the information is kept.	2
6	Was employee listing and completed training accurate and complete? – Progress Report Attachment 7 (Yes= 1 point, No= 0 Points, NI=.5 point) Comments: Yes. Attachment 7 is consistent with PA internal records.	1
7	Verification of Part 192 and 199 Rules and Amendments – Progress Report Attachment 8 (Yes= 1 point, No= 0 Points) Comments: Yes. Attachment 8 is consistent with PA internal records, Commission Regulations, and PA Law.	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) Comments: Yes. Program achievements and plans are addressed in Attachment 10.	1
9	General Comments: Ms. Gladys M. Brown Dutrieuille, Chairman, Pennsylvania Public Utility Commission, PO Box 3265, Harrisburg, PA 17105-3265; Rob Horensky, Manager, Safety Division, Patrick Gaume, PHMSA. UNGS PROGRESS REPORT REVIEW score is 50 of 50: Highest percentage of inspectors is in categories I & II. No incidents were reported in UNGS for 2019. Part A scored 8.5 of 9 points.	9

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B – PROGRAM INSPECTION PROCEDURES Does State Inspection Plan include procedures that address the following elements? (See Guidelines Section 5.1)		
1	Does State have written inspection procedures? (Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. They were developed from the NG Program.	2
2	Standard Inspections 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. <ul style="list-style-type: none"> • Pre-Inspection Activities • Inspection Activities • Post Inspection Activities (Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. PRE, During, and Post guidance are provided in the Procedures.	2
3	Specialized Inspections 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. <ul style="list-style-type: none"> • Pre-Inspection Activities • Inspection Activities • Post Inspection Activities (Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. PRE, During, and Post guidance are provided in the Procedures.	2
4	Design, Testing, and Construction Inspections 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. <ul style="list-style-type: none"> • Pre-Inspection Activities • Inspection Activities • Post Inspection Activities (Yes= 1 point, No= 0 Points, NI=.5 point) Comments: Yes. PRE, During, and Post guidance are provided in the Procedures.	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: Yes. PRE, During, and Post guidance are provided in the Procedures.</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: Yes. See 'Procedures for determining inspection priorities'.</p>	6
7	<p>General Comments: Part B scored 14 of 14 points.</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: Okay. 9 inspection days, .11 inspector year, $9/((.11 \times 220) = .372$, Credit given due to consideration of the Gas Program inspection frequency.</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, three of four inspectors are TQ qualified and the rest are within the 3 years of the program time span.</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: Yes, have started using IA in 2020. Working to register more personnel for IA and have registered 5 personnel for the IA Class at TQ.</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: Yes, Rob is in his first year as Program Manager, but he has multiple years in Pipeline Safety and was ground-floor in the development of the UNGS Program.</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. Letter dates were 10/22/2019 & 11/25/2019. The deficiencies were 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. All UNGS operators are also subject to Pipeline jurisdiction. D&A and PAPEI are current, UNGS Standard inspections are within the 5-year initial cycle.</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 word form was used in 2019.</p>	2
8	<p>Did State complete all applicable portions of inspection forms? (Yes= 2 points, No= 0 Points, NI=1 point) Comments: NI, 1 of 2 points. Some NA items were not commented on. The forms were filled out.</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, 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 (Yes= 2 points, No= 0 Points, NI= 1 point)</p> <p>Comments: Yes. D&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). (Yes= 1 points, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes. PA sponsors a Pipeline Safety Seminar every year and shares enforcement cases at that time. Info is also available on the website. Forward Advisory notices to operators via emails.</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.</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. PA participates and responds to both PHMSA & NAPSRS.</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. none for UNGS.</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. None for UNGS.</p>	NA
16	<p>General Comments: Part C scored 30 of 31 points. Question C6 was NI, 3 questions were NA.</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. It is in the procedures.</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. It is in the procedures. No violations in 2019.</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. Exit briefings were conducted at the end of the inspection before leaving location.</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. Procedure is for inspection results to be emailed within 90 days, informally within 60 days. There were no violations found in 2019 so no notices were needed.</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, it is in the Procedures, but there were no compliance actions in 2019.</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. Due process is given to all, no violations.</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, The Program manager and his staff are familiar with the process.</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: NA. no UNGS violations have been assessed.</p>	NA
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: Yes. There have been fines within the last 10 years on the NG side.</p>	1
10	General Comments: Part D scored 17 of 17 points. Questions 5 & 8 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. See UNGS Procedures, Reportable Failure Investigation.</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 pg 57, UNGS Procedures, Gas Failure Investigation Policy.</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. no incidents in UNGS.</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. no incidents in UNGS. Procedures are in place. Normal practice is to respond on-site for significant and other incidents.</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. no incidents in UNGS. Procedures are in place to investigate.</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. Procedures are in place.</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. PA is completely 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: Yes. Process is in place to share during Eastern Region NAPSIR Meetings.</p>	1

9	General Comments: Part E scored 5 of 5 points. Questions 3-7 were NA.	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, procedures are in place, no UNGS excavation work has occurred.</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. PUC supports Paradigm, promotion of 811, has active enforcement, and other outreach forums.</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: Peoples Gas, OPID 15476 & 15350, virtual via WebClient, Israel Gray-Lead inspector, 8/19/20, Patrick Gaume, PHMSA. Other PA PUC attending: Rob Horensky, David Kline, Matthew Matse, & Chris Whiteash.	
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: Yes. 11 participated in the virtual meeting, 5 with Peoples, 5 with PA PUC, & 1 with PHMSA.	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) Comments: Yes. IA was used. See '2020 Peoples LLC UNGS Inspection'; Christopher Whiteash is Lead to complete the IA Form, Israel Gray is Lead for the Inspection.	2
4	Did the inspector thoroughly document results of the inspection? (Yes= 2 points, No= 0 Points, NI=1 Point) Comments: Yes. This inspection addressed Procedures and Records. Field items were NC due to COVID 19.	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) Comments: Yes. The portion covered on 8/19-20/2020 addressed Procedures and Records of a UNGS Standard Inspection. It included 5 Units. All phone, computer, database, and other resources were available to complete the inspection.	1
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: Yes. The portion covered on 8/19-20/2020 addressed Procedures and Records of a UNGS Standard Inspection.	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) Comments: Yes. Israel demonstrated professional knowledge of UNGS requirements.	2

[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: NA. H1-7 not a 60106 Agreement Program.</p>	NA
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: NA. H1-7 not a 60106 Agreement Program.</p>	NA
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: NA. H1-7 not a 60106 Agreement Program.</p>	NA
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: NA. H1-7 not a 60106 Agreement Program.</p>	NA
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: NA. H1-7 not a 60106 Agreement Program.</p>	NA
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: NA. H1-7 not a 60106 Agreement Program.</p>	NA
7	General Comments: NA. H1-7 not a 60106 Agreement Program.	6