



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue SE
Washington DC 20590

2020 Gas State Program Evaluation

for

NORTH CAROLINA UTILITIES COMMISSION

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



2020 Gas State Program Evaluation -- CY 2020

Gas

State Agency: North Carolina

Agency Status:

Date of Visit: 8/25-8/26/2021

Agency Representative: Steve Wood, Gas Pipeline Safety Manager

PHMSA Representative: Don Martin

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

Name/Title: Charlotte A. Mitchell, Chair

Agency: North Carolina Utilities Commission

Address: 430 North Salisbury Street, Dobbs Building

City/State/Zip: Raleigh, North Carolina 27603

Rating:

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

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 2020 (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
10	10
0	0
100	100

TOTALS

State Rating **100.0**

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- 1 Were the following Progress Report Items accurate? (*items not scored on progress report) 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. No inaccuracies found in comparison to list in NC Procedures document.
- b. The NCUC provided information in spreadsheets that supported the information entered into Attachment 2.
- c. Listing is maintained in the NCUC's Procedures document. No discrepancies were found.
- d. Attachment 4 information matches the incidents listed in the Pipeline Data Mart.
- e. The NCU provided a spreadsheet titled "Insp Units NonCompliances". The spreadsheet provided the information that supported the entries on Attachment 5. No issues.
- f. No issues.
- g. Training information in Attachment 7 was imported from Training and Qualification Division's (TQ) training database.
- h. No issues found. The NCUC has automatic adoption authority.
- i. No issues found.

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



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

Evaluator Notes:

The NCUC's PIPELINE SAFETY PROGRAM PROCEDURES MANUAL was reviewed. Procedures for pre-inspection, conducting inspection and post inspection activities are described on Pages 9 through 19.

- a. Procedures for conducting Standard Inspections are described on Pages 13 and 14. No issues.
- b. Procedures for Transmission Integrity Management Program and Distribution Integrity Management Program Inspections on Pages 18 and 19. No issues.
- c. Procedures for conducting Operator Qualification Inspections are described on Pages 13 and 14.
- d. Procedures for conducting Damage Prevention Inspections are described on Page 18. No issues.
- e. Procedures for conducting On-Site Operator Training is described on Page 18. No issues.
- f. Procedures for conducting Design, Testing and Construction Inspections are described on Pages 14 through 17. No issues.
- g. Procedures for conducting Standard Inspections are described on Pages 13 and 14.

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| 2 | Do written procedures address inspection priorities of each operator, and if necessary each unit, based on the following elements and time frames established in its procedures? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
|---|--|---|---|
- a. Length of time since last inspection
 - b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)
 - c. Type of activity being undertaken by operators (i.e. construction)
 - d. Locations of operator's inspection units being inspected - (HCA's, Geographic area, Population Centers, etc.)
 - e. Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors)
 - f. Are inspection units broken down appropriately?

Evaluator Notes:

The NCUC's PIPELINE SAFETY PROGRAM PROCEDURES MANUAL was reviewed. Section 4. B. describes the NCUC's inspection priorities. The inspection priorities meet PHMSA's requirements.

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| 3 | (Compliance Procedures) Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
|---|--|---|---|
- a. Procedures to notify an operator (company officer) when a noncompliance is identified
 - b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns
 - c. Procedures regarding closing outstanding probable violations

Evaluator Notes:

- a. The second paragraph of Section 5 R states letter to be addressed to the appropriate operator contact (which should be a company officer, system owner, mayor or other responsible party).
- b. Section 5. T. on Pages 21 and 22 meets the requirements.
- c. Section 5. U. on Pages 22 and 23 meets the requirements.

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

The NCUC's PIPELINE SAFETY PROGRAM PROCEDURES MANUAL was reviewed.

- a. Sections VI. B., E. and H contain procedures that meets these requirements.
- b. Section VI. B. contain procedures that meets these requirements.

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

Evaluator Notes:

There were no findings resulting in a loss of points in Part B of this evaluation.

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



PART C - State Qualifications

Points(MAX) Score

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

Evaluator Notes:

- a. Steve Wood, Harry Bryant, Michelle Flowers, Hillary King, Brooks Tate, and Anna Williams have completed the training requirements for leading a Operator Qualification inspection.
- b. Steve Wood, Harry Bryant, Michelle Flowers, Hillary King, Brooks Tate, and Anna Williams has completed the required training to lead a Transmission Integrity Management Program inspection. Steve Wood, Harry Bryant, Michelle Flowers, Hillary King, Brooks Tate, and Anna Williams have completed the required training to lead a Distribution Integrity Management Program inspection.
- c. Harry Bryant, Michelle Flowers, Hillary King, Brooks Tate, Anna Williams and Steve Wood have completed the training requirements for leading a Standard Inspection of a LNG facility.
- d. All but one inspector have completed Root Cause training.
- e. No outside training was taken during 2020.
- f. Harry Bryant, Michelle Flowers, John Hall, Hillary King, Brooks Tate, Anna Williams and Steve Wood have completed the training requirements for leading a Standard Inspection of gas pipelines.

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| 2 | Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
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Evaluator Notes:

The program manager has work experience in gas distribution systems operations, twenty one years as a gas program inspector and state program manager. He has completed all of the required courses to lead Standard Inspections of gas pipelines and LNG facility.

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

There were no deficiencies that resulted in a loss of points in Part C of this evaluation.

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

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

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

The NCUC provided spreadsheets showing inspection dates for the most recent inspection date and the previous inspection date. The spreadsheets also indicated if non-compliance issues were found.

a. - h. - There were no instances where the NCUC failed to complete inspections on a five year interval for pipeline operators or a two interval for LNG operators. The NCUC also met the intervals established in its procedures which are more frequent than five years.

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| 2 | Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1. Do inspection records indicate that adequate reviews of procedures, records and field activities, including notes and the appropriate level of inspection person-days for each inspection, were performed?
Yes = 10 No = 0 Needs Improvement = 1-9 <ul style="list-style-type: none">a. Standard (General Code Compliance)b. Public Awareness Effectiveness Reviewsc. Drug and Alcohold. Control Room Managemente. Part 193 LNG Inspectionsf. Constructiong. OQ (see Question 3 for additional requirements)h. IMP/DIMP (see Question 4 for additional requirements) | 10 | 10 |
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Evaluator Notes:

(a. - (h. - Files for CY2020 inspections of the operators on the randomly selected list were reviewed. The inspection forms appeared to cover all applicable code requirements. All questions were documented as satisfactory, unsatisfactory, not covered or not applicable. Comments were provided for any questions that were marked unsatisfactory, not covered or not applicable.

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| 3 | Is state verifying monitoring (Protocol 9/Form15) of operators OQ programs? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals established in the operator's plan. 49 CFR 192 Part N
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

The NCUC provided spreadsheets showing inspection dates for the most recent inspection date and the previous inspection date. The spreadsheets also indicated if non-compliance issues were found. The NCUC inspections met the intervals required for inspecting operator's QO programs. The inspections covered Elements 1 through 8. Protocol 9 was covered during Standard Inspections.

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| 4 | Is state verifying operator's integrity management Programs (IMP and DIMP)? This should include a review of plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operator's plan(s). 49 CFR 192 Subpart P | 2 | 2 |
|----------|---|---|---|

Yes = 2 No = 0 Needs Improvement = 1

- a. Are the state's largest operator(s) plans being reviewed annually to ensure they are completing the full cycle of the DIMP/IMP process?
- 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:

- a. The three largest operators were reviewed in 2020.
- b. Covered in Standard Inspections.
- c. Covered during DIMP inspections.

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| 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 |
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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:

NTSB recommendations in (a. - (e. covered in inspection forms. NTSB recommendation in (f. and (g. covered on DIMP inspection form when covering threats.

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| 6 | Did the State verify Operators took appropriate action regarding advisory bulletins issued since the last evaluation? (Advisory Bulletins Current Year) | 1 | 1 |
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Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The NCUC provided the Advisory Bulletin page that is included in the inspection checklist for Standard Inspections. Advisory Bulletins issued since the last inspection are discussed with the operator.

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| 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 |
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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:

- The NCUC provided spreadsheets showing inspections that had non-compliance issues. There were 12 Probable Violations found during CY2020. All probable violations were addressed in letters sent to the operators.
- a. All letters reviewed confirmed letters were addressed to the proper official.
 - b. Yes, probable violations were documented on the inspection form and in the non-compliance letter sent to the operators.
 - c. Responses were received for all non-compliance letters reviewed.
 - d. Progress is monitored by the Program Manager.
 - e. No issues found.
 - f. No civil penalties were assessed in CY2020 for the twelve probable violations found. Civil penalties were assessed during CY2017.
 - g. Letters were signed by Program Manager.
 - h. Operators allowed to respond to probable violations. Operators given 30 days to respond.
 - i. Exit interview is conducted which provides the briefing.
 - j. Non-compliance correspondence is provided to operator in most cases within 30 days.

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

- a. Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports?
- b. Did state keep adequate records of Incident/Accident notifications received?
- c. If onsite investigation was not made, did the state obtain sufficient information from the operator and/or by means to determine the facts to support the decision not to go on site?
- d. Were onsite observations documented?
- e. Were contributing factors documented?
- f. Were recommendations to prevent recurrences, where appropriate, documented?
- g. Did state initiate compliance action for any violations found during any incident/accident investigation?
- h. Did state assist Region Office or Accident Investigation Division (AID) by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA?
- i. Does state share any lessons learned from incidents/accidents?

Evaluator Notes:

There were nine reportable incidents during 2020. Seven were the result of excavation damage. Six of the excavation damage incidents were investigated with out making an on-site visit. The remaining three incidents are still under investigation. They are Report No. 20200012 - Piedmont Natural Gas near Winnabow, NC; Report No. 20210003 - Piedmont Natural Gas near Hertford, NC and Report No. 20200063 - Public Service of North Carolina near Raleigh, NC.

- a. The NCUC has an adequate mechanism to receive and respond to incidents.
- b. The NCUC listing of incidents in a MSWord document matched the incidents in the PDM and the 2020 Progress Report.
- c. The NCUC complied with its procedures when it was decided not to investigate on-site. All of the incidents were excavation damage. All information needed was obtained without an on-site investigation.
- d. The three incidents that were investigated on-site are still pending.
- e. The three incidents that were investigated on-site are still pending.
- f. The three incidents that were investigated on-site are still pending.
- g. Non-compliance was not identified in any of the incidents investigated based on information provided that supported Attachment 5.

- h. Email sent on 4/21/2021. AID did not reply with any concerns.
i. The NCUC shares lessons learned during the state of the state of 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:

A response was not required for the CY2019 evaluation letter that was mailed in 2020.

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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 next seminar will need to be conducted in 2021 to meet the three year requirement.

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

The Inspection Assistant Forms for transmission operators utilized by the NCUC covers this requirement.

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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 NCUC website provides pipeline safety information that is accessible by all stakeholders. Also pipeline safety related cases can be reviewed by use of docket numbers.

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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:

The PDM showed that there were no SRCR's filed during CY2020. All SRCR's filed prior to 2020 were closed.

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

There were no known instances where the NCUC did not respond.

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| 15 | If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate.
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

There are no open Waivers/Special Permits that have conditions requiring follow up.

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

All information requests made as a part of this evaluation were responded to with well organized files and documents in a relatively short time frame.

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

The SICT files in the PDM was reviewed along with feedback from the Peer Review. No deficiencies were noted that required improvement by the NCUC.

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

The performance metrics in PRISMIS were reviewed. Excavation damages have trended downward to approximately 2.0 damages per 1000 tickets in CY2019. The NCUC continues to identify opportunities to reduce damages to pipelines. Inspection days per 1000 has trended in a positive direction with 14 inspection person days per 1000 miles achieved in CY2019. Inspection person days per Master Meter/LPG operator has remained constant as approximately 1 inspection person day per Master Meter/LPG operator. The percentage of staff completing required qualification training has averaged approximately 90% during CY2017 to CY2019. Leak repairs per 1000 miles has trended up over the last ten year period. Hazardous leaks which require immediate repair has also trended up in the same time period which could indicate either a more leak prone infrastructure or excavation damages resulting in more hazardous leaks. Also notable is that the inventory of leaks scheduled for repair at the end of each year has trended up since 2010.

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

When conducting inspections at operators' headquarters locations, the NCUC has been in discussions with larger operators to promote the development and implementation. The NCUC included Pipeline Safety Management Systems (SMS) in the agenda at the last Pipeline Safety Seminar. Piedmont was asked to present its efforts to develop and implement SMS into its operations. The two other large operators, Dominion and Duke, are in the process of developing SMS. Duke was put on agenda to discuss their progress at NAPS Southern Region meeting in 2019. Greenville Utilities, a large municipal is also active in developing SMS. Other municipals (>10000 population) are starting discussions to develop and implement cooperatively together.

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

There were no issues resulting in point reductions for Part D of this evaluation.

Total points scored for this section: 50
Total possible points for this section: 50

PART E - Field Inspections

Points(MAX) Score

- 1 Operator, Inspector, Location, Date and PHMSA Representative (enter specifics into the comments box below) Info Only Info Only
Info Only = No Points
- What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc)
 - When was the unit inspected last?
 - Was pipeline operator or representative present during inspection?
 - Effort should be made to observe newest state inspector with least experience

Evaluator Notes:

On August 25 -26, 2021, the NCUC conducted the records portion of a Standard Inspection of Dominion Energy's Apex Resources Center unit.

The unit's records were last inspected 7/24/2020.

Dominion Energy was represented by David Brown.

- 2 Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. The records portion of Form 2 - Standard Inspection of a Distribution Operator was utilized and completed.

- 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:

(a. Procedures were not in the scope of the inspection but were reviewed to evaluate compliance of the records.

(b. Yes, records were the focus of this inspection.

(c. Field activities were not in the scope of this inspection.

(d. Nothing to note.

(e. The length of time taken was appropriate.

- 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:

There were no issues identified with the inspector's knowledge.

- 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 records inspection is a portion of the comprehensive Standard inspection. Since the comprehensive inspection will be completed at a later date, an exit interview was not conducted during the observation. The exit interview for the comprehensive standard inspection was held on October 25, 2021. The inspector notified the operator's representative that one probable violation was found during the inspection. Cathodic protection was found to be shorted at several casing

locations. Part 192.467 requires electrical isolation from metallic structures. The inspector provided the next steps that would occur related to written notification and the requirement that the non-compliance be corrected.

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:

- (a. Yes, the inspector conducted the inspection by reviewing electronic records and did not require an on-site environment.
 - (b. Not applicable.
 - (c. None noted.
 - (d. None noted.
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7 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

There were no issues identified that resulted in the loss of points in Part E of this evaluation.

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



PART F - Damage prevention and Annual report analysis**Points(MAX) Score**

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|----------|--|---|---|
| 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 |
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Evaluator Notes:

The NCUC provided a spreadsheet that summarized the its review during CY2020. The results included trend analysis of excavation damage and leaks.

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| 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 | 2 |
|----------|--|---|---|

Evaluator Notes:

The larger operators conduct monthly meetings (through committees) that review monthly excavation damages. A NCUC inspector interacts with a company's damage prevention committee representative. The committee analyzes root causes of the monthly damages. Approximately once each three months, the NCUC Program Manager interacts with the operators individually to discuss what actions the operators are taking as a result of the monthly meetings.

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| 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 | 4 |
|----------|--|---|---|

Evaluator Notes:

The NCUC has assigned damage prevention to one of its inspectors. A majority of NCUC inspector's time is spent focusing on the damage prevention activities of the operators in North Carolina.

(a. - (c. - The inspector reviews the damage prevention information in each of the operator's Annual Reports.

(d. - (j. - Site visits are conducted with operators to inspect and discuss the issues covered in d. through j.

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|----------|---|---|---|
| 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.b. Has the state verified the operator is appropriately focusing damage prevention education and training to stakeholders causing the most damages? | 2 | 2 |
|----------|---|---|---|

- 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 N. Carolina 811 website publishes the Supermega spreadsheet from 811 which has data analysis of damages.

- a. NCDOT, Google (and other companys installing fiber) has caused the most damages in NC in recent history.
- b. The operators and NC811 are both providing training for all excavators and put more effort in covering contractors for NCDOT and fiber companies. Underground coordinating committee meetings communicate with representatives of the excavating community including NCDOT and fiber companies.
- c. The NCUC program manager reviews all damages that result in repairs exceeding \$5000. A lot of information is gained from these reviews.
- d. The operators provide education and training for the locating cause. NC811 super mega spreadsheet that captures all damages to underground facilities and the contractors causing the damage.

5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

There were no findings that resulted in a loss of points in Part F of this evaluation.

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



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:

The NCUC is not an interstate agent.

- 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:

The NCUC is not an interstate agent.

- 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:

The NCUC is not an interstate agent.

- 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:

The NCUC is not an interstate agent.

- 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:

The NCUC is not an interstate agent.

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

Evaluator Notes:

The NCUC is not an interstate agent.

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