



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

1200 New Jersey Avenue SE
Washington DC 20590

2021 Gas State Program Evaluation

for

INDIANA UTILITY REGULATORY 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



2021 Gas State Program Evaluation -- CY 2021

Gas

State Agency: Indiana

Agency Status:

Date of Visit: 05/23/2022 - 06/10/2022

Agency Representative: Michael Neal, Pipeline Safety Division Director
William Boyd, Pipeline Safety Division Director
Dan Novak, Division Manager
Miranda Erich, Pipeline Safety Engineer
Alexander Becerra, Administrative Assistant
Mary Schneider, Data and Reporting Manager

PHMSA Representative: Glynn Blanton, US DOT/PHMSA State Evaluator

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

Name/Title: Jim Huston, Chairman
Agency: Indiana Utility Regulatory Commission
Address: 101 West Washington Street, Suite 1500 E
City/State/Zip: Indianapolis, IN 46204

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 2021 (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

Possible Points Points Scored

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

0
15
10
50
15
10
0

0
15
10
50
15
10
0

TOTALS

100 100

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. Jurisdictional authority and number of operators were found correct. Number of operators has changed from 90 to 87 due to being purchased by another operator.
- b. Number of inspection person days (1037) meet the minim requirement of 767 days. Construction day inspections were 166 and meet the 20% requirement.
- c. Operator's names & ID numbers match attachment 1 & 3. No issues.
- d. Four incidents were reported for CY2021. The incidents match the number in PHMSA Portal. No issues.
- e. Number of carryover violations listed was 288 and number to be corrected at end of year is 246. Compliance action taken was 105 and no civil penalties were issued. No issues.
- f. A review of list of records kept appears to be correct. No issues.
- g. Reviewed TQ training records and verified 9 inspectors have attended classes. Inspector categories are as follows: 1-Cat I, 4-Cat II & 4-Cat III.
- h. They have not adopted civil penalty amount of \$100,000 to \$1 Million. Current penalty amount is \$25,000 per day up to \$1 million for a series of violations. A loss of four points occurred on the progress report review. Additionally, a loss of three points occurred due to not taking steps to adopt 1/22/2019 PE Pipe rule and 7/1/2020 GT Rules.
- i. No issues with summary of planned and pass performance projects. Good description on meeting the nine elements of damage prevention.

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



- | | | | |
|---|---|---|---|
| 1 | Do written procedures address pre-inspection, inspection and post inspection activities for each of the following inspection types: Chapter 5.1
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
| | <ul style="list-style-type: none"> a. Standard Inspections, which include Drug/Alcohol, CRM and Public Awareness Effectiveness 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:

- a. Yes, these inspections are listed in Indiana Utility Regulatory Commission (IURC) Pipeline Safety Program Manual (PSPM) Section B, Inspection Planning, pages 1-16.
- b. Yes, these types of inspections are listed in Indiana Utility Regulatory Commission (IURC) Pipeline Safety Program Manual (PSPM) Section B, Time Intervals for Inspections, page 12.
- c. Yes, located in Indiana Utility Regulatory Commission (IURC) Pipeline Safety Program Manual (PSPM) Section B, Time Intervals for Inspections, page 12.
- d. Yes, this item is listed in Indiana Utility Regulatory Commission (IURC) Pipeline Safety Program Manual (PSPM) Section B, Time Intervals for Inspections, page 12.
- e. This is listed found in Indiana Utility Regulatory Commission (IURC) Pipeline Safety Program Manual (PSPM) Section B, Time Intervals for Inspections, page 12.
- f. Yes, this is listed in Section C, pages 7 & 8.
- g. This is listed in Indiana Utility Regulatory Commission (IURC) Pipeline Safety Program Manual (PSPM) Section B, Time Intervals for Inspections, page 10.

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|---|--|---|---|
| 2 | Do written procedures address inspection priorities of each operator, and if necessary each unit, based on the following elements and time frames established in its procedures? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| | <ul style="list-style-type: none"> a. Length of time since last 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:

- Yes, items a - e are covered in Indiana Utility Regulatory Commission (IURC) Pipeline Safety Program Manual (PSPM). They have an in-depth rank risk program. This document contains all the elements required to rank risk and priorities their inspection visits as listed on pages 11-12 in section B, Inspection Planning.
- Item f: Yes, a review of inspection units found them broken down correctly..

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|---|---|---|---|
| 3 | (Compliance Procedures) Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
| | <ul style="list-style-type: none"> a. Procedures to notify an operator (company officer) when a noncompliance is 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. Yes, this is found on pages 1-3 of Indiana Utility Regulatory Commission (IURC) Pipeline Safety Program Manual (PSPM) Section D, Inspection Form and Violation Processing.
- b. Yes, this is found on page 3 of Indiana Utility Regulatory Commission (IURC) Pipeline Safety Program Manual (PSPM) Section D, Inspection Form and Violation Processing.
- c. Yes, this is found on page 2, of Indiana Utility Regulatory Commission (IURC) Pipeline Safety Program Manual (PSPM) Section D, Inspection Form and Violation Processing.

- 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:

- a. Yes, this is found on pages 1-7 of Indiana Utility Regulatory Commission (IURC) Pipeline Safety Program Manual (PSPM) Section F, Investigation of Incidents.
- b. Yes, this is found on pages 3-4 of Indiana Utility Regulatory Commission (IURC) Pipeline Safety Program Manual (PSPM) Section F, Investigation of Incidents . The reason to "not go to an incident" is listed on the telephonic report form.

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

Evaluator Notes:

No loss of points occurred in this section of the review.

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



PART C - State Qualifications

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 1 | Has each inspector and program manager fulfilled training requirements? (See Guidelines Appendix C for requirements) Chapter 4.3
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 review of TQ records indicate the following individuals are qualified active gas inspectors that have completed all required courses: Bill Boyd, Howard Friend, Aaron Holeman, Michael Hummel, Rich Medcalf, Michael Neal, Dan Novak, Robert Starkey and Charles Weindorf. The following individuals have completed the courses to be lead on Gas IM: Dan Novak and Charles Weindorf. The following inspectors have completed the LNG course: Bill Boyd, Howard Friend, Aaron Holeman, Michael Hummel, Rich Medcalf, Michael Neal, Dan Novak & Charles Weindorf. The following inspectors have completed the Root Cause course: Bill Boyd, Howard Friend, Robert Starkey & Charles Weindorf. In accordance to IURC Policy and Procedures minimum training qualifications have to be met to be the lead inspector on a standard inspection.

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

Yes, Michael Neal was promoted to Pipeline Safety Division Director on December 14, 2021. Mr. Neal has been with IURC for five years and completed all the TQ courses to qualify for Gas Safety Inspector. He has demonstrated a good understanding of the duties of the program manager and pipeline safety regulations.

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

No loss of points occurred in this section of the review.

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 | 5 | 5 |
| | <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) | | |

Evaluator Notes:

Yes, Random generated operators to be checked for this evaluation period consisted of 8 distributions, 3 transmissions, 2 LNG operators, 6 Master meter operators, 1 gathering and 1 hazardous liquid operator. A review of the Program Manager's "Operator Spreadsheet Type Inspections for PHMSA Records Audit 2021" was used to access the inspection reports, letters sent to operators and their response to violations cited and corrected action taken. The following operators were reviewed: Aurora Utilities, Community Natural Gas, Town of New Harmony Gas Dept., Southeast Indiana Natural Gas, Batesville Gas Utility, Linton Municipal Gas, Indiana Utilities Corp, Westfield Gas Corp, Duke Energy - Indiana Noblesville Station, Worthington Generation, Ohio Valley Gas Corp, Riverside Petroleum Indiana, Northern Indiana Public Service Co, LNG Indy, LLC, Country Mark Refining and Logistics, LLC, Purdue University, Barratt Assets Management, South Bend Housing Authority, Advantix Development Corporation, Bradley Company and North Shore Club. All inspections were found to be conducted and completed in accordance to IURC schedule cycle.

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| 2 | Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1. Do inspection records indicate that adequate reviews of procedures, records and field activities, including notes and the appropriate level of inspection person-days for each inspection, were performed?
Yes = 10 No = 0 Needs Improvement = 1-9 | 10 | 10 |
| | <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) | | |

Evaluator Notes:

Yes, a review of inspection forms located on the agency's share point confirm the forms cover all applicable code requirements. A review of inspection reports performed found an adequate review was performed and the length of the inspections met the person day requirements.

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

Evaluator Notes:

Yes, a review of inspection reports for the following operators confirm the agency inspectors are reviewing the companies OQ program. Aurora Utilities, Community Natural Gas, Town of New Harmony Gas Dept., Southeast Indiana Natural Gas, Batesville Gas Utility, Linton Municipal Gas, Indiana Utilities Corp, Westfield Gas Corp, Duke Energy - Indiana Noblesville Station, Worthington Generation, Ohio Valley Gas Corp, Riverside Petroleum Indiana, Northern Indiana Public Service Co, LNG Indy, LLC, Country Mark Refining and Logistics, LLC, Purdue University, Barratt Assets Management, South Bend Housing Authority, Advantix Development Corporation, Bradley Company and North Shore Club.

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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 Subparts O and P
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
| | a. Are the implementation plans of the state's large/largest operators(s) being reviewed annually to ensure they are completing full cycle of the 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. Yes, This is accomplished by Indiana Administrative Code 170 IAC 5-3-2 Federal Safety Regulations.
- b. Yes, All operators are required to provided updated plans and procedures annually in accordance to the Indiana Administrative Code.
- c. Yes, This item is addressed in the operator's O&M Plan review.

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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
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
| | 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:

- a. This item is covered in the IURC Standard Inspection Form - Corrosion Gas Distribution & Transmission Operator.
- b ,c ,d & e. These items continue to be addressed in IURC Distribution Inspection Form. A review of the form confirm these items are listed. No areas of concern.

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

- Yes, this item is addressed in the communication letter send to all operators from IURC on June 9, 2021. The letter contains information on PHMSA advisory items.

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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
Yes = 10 No = 0 Needs Improvement = 1-9 | 10 | 10 |
|---|---|----|----|

- 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:

- a. Yes, reviewed compliance action letters to the following operators and found information was mailed to board member of municipal system or company officers. The following letters were reviewed, Michigan City Housing Authority, Boonville Natural Gas Corporation, Indiana Utilities Corporation, Duke Energy Corp, Northern Indiana Public Service Company, Bradley Company, Capital Realty Group, Inc., CenterPoint Energy Indiana & Riverside Petroleum
- b. Yes, all probable violations were well documented with required evidence. No issues.
- c. Yes, violations were cleared and resolved within 60 days or dates established by the agency. No issues.
- d. Yes, probable violations are reviewed routinely by inspector and administrative staff on a weekly schedule.
- e. Yes, action was taken and compliance action was taken.
- f. Yes, the three civil penalties issued in CY2020 in the total amount of \$1.769 Million.
- g. Yes, this item is listed in the procedure manual. Inspectors routinely review the inspection reports for follow-up action. Additionally, the program manager and administrative assistant review the reports before they are released.
- h. Yes, this is addressed in the Commission's rules and regulations.
- i. Yes, a review of compliance letters and inspection reports reflect the post inspection was conducted via email or telephone conversation with operator representatives.
- j. Yes, a review of compliance letters and spreadsheet confirm this was provided to the operator within 30 days.

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

Yes = 10 No = 0 Needs Improvement = 1-9

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

Evaluator Notes:

- a. Four incidents were listed in IURC 2021 Progress Report Attachment 4. Yes, IURC Procedures Manual, Section F, Investigation of Incidents on page 3 address this item. The Division has established a Pipeline Safety Emergency Line for the reporting of incidents. The line is monitored 24 hours a day, 365 days a year, by a Pipeline Safety Program staff member.
- b. A review of inspection data base confirm records of these incidents were listed.
- c. Yes, this is located in UIRC Procedures Manual, Section F, Investigation of Incidents and the Telephonic Incident form.

Located in the form is a check or comment section to provide a response to not go to the site.
d & e. Yes, onsite observations were made and contributing factors documented in each of the report.
f & g. No violations were discovered due to their investigation of the incidents.
h. N/A
i. Yes, information on previous incidents/accidents are shared with state program managers at the NAPS Central Region Meeting.

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:

Chairman Huston responded to Mr. Zach Barrett's letter dated May 14, 2021, was received on June 11, 2021.

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 last pipeline safety seminar was conducted virtual on July 20, 2021.

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:

Yes, this item is addressed in the IRUC Standard Transmission Inspection Form 01, page 27, question R5.

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:

This item is addressed in IURC website. Information on communication with stakeholder is found in the News Release section. They attending other pipeline safety meetings with operators and share information about their program.

13	Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.7 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

A review of PHMSA Data Mart found four safety related condition reports for CY2021. 1. NORTHERN INDIANA PUBLIC SERVICE CO on 5-10-21; 2. NORTHERN INDIANA PUBLIC SERVICE CO on 8-6-21, 3. NORTHERN INDIANA CO on 11-11-21 3. SOUTHERN INDIANA CO on 9-29-21. All reports were on transmission lines. All safety related condition reports except Southern Indiana Co has been closed. Southern Indiana Co safety related condition will be closed later in the year when work has been completed by the company.

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:

Yes, Program Manager has responded to NAPS surveys and routinely checks the Work Management system for task to be completed.

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:

No waivers/special permits have been issued in CY2021.

16 Were pipeline program files well-organized and accessible?

Info Only Info Only

Info Only = No Points

Evaluator Notes:

Yes, a review of electronic files and folders found information on inspections and letters were well organized. Additionally, the CRM is listed in their procedures manual as the database to go to to review all inspection reports. No issues of concern.

17 Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT). Has the state updated SICT data?

3

3

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

Evaluator Notes:

Program Manager is familiar with the process of completing the SICT data. He demonstrated an excellent understanding of the process and made aware of the program during the "New Program Manager" orientation.

18 Discussion on State Program Performance Metrics found on Stakeholder Communication site.\ <http://primis.phmsa.dot.gov/comm/states.htm?nocache=4805>

Info Only = No Points

Evaluator Notes:

Reviewed the performance metrics with IURC staff members pertaining to inspection activity, inspection days, damages per 1,000 locate request. No issues.

19 Did the state encourage and promote operator implementation of Pipeline Safety Management Systems (PSMS), or API RP 1173? This holistic approach to improving pipeline safety includes the identification, prevention and remediation of safety hazards.

Info Only Info Only

Info Only = No Points

a. <https://pipelinesms.org/>

b. Reference AGA recommendation to members May 20, 2019

Evaluator Notes:

Yes, this item was presented at the IURC Pipeline Safety Seminar in previous years. IURC staff continue to have meetings with Vectren, NPSCO and Centre Pointe representatives reviewing their action on this item.

20 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No loss of points occurred in this section of the review.

Total points scored for this section: 50

Total possible points for this section: 50

- 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:

a. This inspection was conducted in two different locations to observe construction work being performed by different operators. On June 7th a construction inspection was held in Tell City, IN on Ohio Valley Gas. Jeff Simpson was the onsite Ohio Valley Gas Inspector. Derek Steen, the local area manager visited the site during the work being performed. Observed the IURC inspector Miranda Erich checking the operator's OQ records for the following Miller Pipeline Company personnel: Kenneth Turner, James Randolph and Austin Bryant. Observed the inspector monitoring the service line installation and relocation of the meter in the yard to the side of the home. This inspection unit was last inspected the week of May 3, 2021. The second inspection was conducted on CenterPoint Energy Company in Evansville, IN. This inspection was a review of a cast iron replacement main. The following personnel were present: David Hahn, Cole Hagan, Ed Hendrix and Paul Bultitude. Miller Pipeline Company crew members present: Nicholas Lendy, Kane O'Keefe, Dustin Galloway, Kegan Quick, Nick Lindsey & Jason Phelps.

- 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, Miranda Erich was observed using her iPhone taking pictures of the operator's OQ records and entering the information into IURC construction form. Excellent notes on the construction projects at the two locations were taken and verbal communications with the construction crew about their work was observed.

- 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:

- Yes, observed the inspector asking questions to determine the operator's compliance with construction procedures and best practices.
- Yes, after taking pictures of records, inspector asked follow-up questions about AOC's and procedures on construction work.
- Inspector monitored the work being performed and compared it to the company's written procedures. Observed inspector checking calibration of pressure gauges, leak detection and fusion equipment.
- NA
- Yes, the two construction inspections were of adequate length to observe the work being scheduled.

- 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:

Ms. Miranda Erich, Pipeline Safety Engineer has been with the IURC for three years and completed all TQ courses. She is a qualified Gas Safety Inspector. She conducted the two construction inspections in a very professional and safe manner. Her exit interview and other communications with crew members was excellent.

- 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:

Yes, on June 7th at the end of the day and exit interview was conducted with Miller Construction Company & Ohio Valley Gas personnel. At the end of each day, observer Miranda Erich conducting an exit interview with the crew members supervisor or foreman.

- 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:

No unsafe acts were observed or performed during the construction project in Tell City or Evansville, IN

- 7 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

No loss of points occurred in this section of the review.

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



- | | | | |
|---|--|---|---|
| 1 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues. | 2 | 2 |
| | Yes = 2 No = 0 Needs Improvement = 1 | | |

Evaluator Notes:

Yes, this is accomplished by each inspector conducting a review of the operator's annual reports prior to performing their inspection. This item is listed in Section B of IURC procedures manual. Additionally, the inspector will use the Distribution Operator's F7100 Annual Review Check list form to verify data on the operator's report and analyze trends or potential risk areas, (leakage, corrosion, damages) prior to conducting the inspection.

- | | | | |
|---|--|---|---|
| 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) | 2 | 2 |
| | Yes = 2 No = 0 Needs Improvement = 1 | | |

Evaluator Notes:

Yes, IURC investigates excavation damages that occur on all natural gas companies facilities. The operator is required to submit a report of damages to the agency in determining the root cause of the damage. IURC reviews and investigate the damage report and makes a recommendation to the Underground Plant Protection Advisory Committee (UPPAC) on who caused the damage(s). The UPPAC reviews the investigation reports and renders a decision to issue a "Warning Letter", "Re-Training" or civil penalty to the contractor or operator. Excavators who have repeatedly violated the one-call law is addressed in IC 8-1-26. In 2021, 1,950 damages were investigated. 511 warning letters were issued. 435 mandatory trainings were conducted and 828 civil penalties in total amount of \$1.5 million was assessed.

- | | | | |
|---|---|---|---|
| 3 | Has the state reviewed the operator's annual report pertaining to Part D - Excavation Damage? | 4 | 4 |
| | Yes = 4 No = 0 Needs Improvement = 1-3 | | |
| | <ul 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.)? | | |

Evaluator Notes:

a. Yes this is accomplished by comparing the CRM Data program to the operator's individual reports on damages that occurred on the system.

b. Yes, IURC staff reviews the operator's investigation reports and other data to confirm the cause of damages.

c. Yes, IURC staff reviews these items during a review of the operator's investigation reports and other data in the annual report. Part of the review includes those items listed in Part D of the operator's annual report.

d thru j. Yes, the operator or their contractor locators are OQ qualified. This item is checked on each inspection and reviewed when a damage report is submitted to their agency for review. Yes, operators are continually requalifying locators who have failed to locate correctly. This is reviewed and discussed with the operator at meetings. In accordance to data collected by IURC for CY2021 the number of damages resulting from mismatch was 298 out of 540. Facility could not be found was 41, incorrect facility records was 95, locating practices not sufficient 73, locator error 132 and site marked incomplete 4.

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?	2	2
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Yes = 2 No = 0 Needs Improvement = 1

- 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?
- 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:

- a. Contractors are causing the highest number of damages in the State of Indiana.
- b. The monthly Damage Prevention Counsel Meetings address this issue and share information on causes of damages. Additionally, pipeline safety inspections and training meetings with the operators.
- c. Yes, IURC continues to monitor and analyze data from the annual report and damage reports submitted by operators to their agency. The number of damages has decreased due to the enforcement of the damage prevention law and their action in meeting with the operators on addressing failure to mark correctly, tolerance zones on markings and trained qualified locators.
- d. Yes, the Damage Prevention Counsel and public awareness outreach meetings has focused on causes of damage. This information is shared with all stakeholder groups.

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

Evaluator Notes:

No loss of points occurred in this section of the review.

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:

IURC does not have a 60106 agreement with PHMSA nor 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:

IURC does not have a 60106 agreement with PHMSA nor 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:

IURC does not have a 60106 agreement with PHMSA nor 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:

IURC does not have a 60106 agreement with PHMSA nor 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:

IURC does not have a 60106 agreement with PHMSA nor an interstate agent.

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

Evaluator Notes:

No loss of points occurred in this section of the review.

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