



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

VIRGINIA STATE CORPORATION 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: Virginia

Agency Status:

Date of Visit: 08/30/2022 - 09/01/2022

Agency Representative: Mr. Scott Marshall
Program Manager

PHMSA Representative: Mr. Clint Stephens
State Liaison

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

Name/Title: Mr. Jehmal T. Hudson, Chairman

Agency: Virginia State Corporation Commission

Address: 1300 E. Main St.

City/State/Zip: Richmond, VA 23219

Rating:

60105(a): Yes **60106(a):** Yes **Interstate Agent:** Yes

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:

- 1a. Attachment 1 information in Progress Report seems accurate.
- 1b. Reviewed data in PIPES database verifying data in Attachment 2 of Progress Report.
- 1c. Requested numbers in Attachment 3 of Progress Report.
- 1d. Confirmed reports in PDM for accuracy for Attachment 4 of Progress Report.
- 1e. Need to confirm how the 312 number was established in Attachment 5 of Progress Report. Will submit revision to Carrie Winslow.
- 1f. Attachment 6 in Progress Report is accurate.
- 1g. Attachment 7 in Progress Report is accurate.
- 1h. VSCC has automatic adoption of federal regulations.
- 1i. VSCC has a detailed synopsis of past and planned performance of pipeline safety program.

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



PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 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 Inspectionsb. TIMP and DIMP Inspections (reviewing largest operator(s) plans annually)c. OQ Inspectionsd. Damage Prevention Inspectionse. On-Site Operator Trainingf. Construction Inspections (annual efforts)g. LNG Inspections | | |

Evaluator Notes:

Section 5, of the State Program Procedures, page 20-35, describes all pre-inspection, inspection and post inspection guidelines.

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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 inspectionb. 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 VA SCC utilizes a risk model which contemplates numerous operator data points, including but not limited to miles of pipe by facility type, material, numbers of services, performance factors including leak rates, outside force, earth movement, critical infrastructure etc. For a full list the risk model and its logic are described in detail Section 5.A "Annual Risk-Based Inspection Schedule" on Page 25-28 of the State's program procedures.

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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 identifiedb. Procedures to routinely review progress of compliance actions to prevent delays or breakdownsc. Procedures regarding closing outstanding probable violations | | |

Evaluator Notes:

State Program Procedures, Section 5.B.5 "Post-Inspection Actives" Pgs. 36, the Division has exception, weekly, and monthly SQL Db canned reports showing open inspections, open investigations, NOI compliance, etc. to assist in the management team tracking the progress of inspection/investigation work production.

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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?
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
| | <ul style="list-style-type: none">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:

Section Q- Discusses State Program On-Call Process, Pg. 67. Appendix No. 7, Section VI (E). "DOT-NTSB Memorandum of Understanding ("MOU")", Pg. 105. Appendix No 7, Section VI (A) to (D) details the cooperative investigating efforts, Pg. 103. Section 7, VII, SCC Response to Incidents and Accidents, details follow up actions necessary to obtain additional information if a response is not necessary or unable (manpower) to occur. Pg. 109.

5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

There were no issues identified in Part B of the program evaluation.

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:

Staff completed Root Cause Course were Gregory Connolly, Christopher DeLisle, Andrew Eaken, James Fisher, Lauren Govoni, and Scott Marshall. New employee(s) ? Jackson Phillips (2022). Staff had completed required TQ Training before conducting inspection as lead.

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

Evaluator Notes:

Yes. The state pipeline safety program manager indicated adequate knowledge of PHMSA program and regulations.

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|---|--|-----------|-----------|
| 3 | General Comments:
Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|

Evaluator Notes:

There were no issues identified in Part C of the program 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 | 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:

Standard ? City of Richmond (2021 & 2019); Virginia Natural Gas (2019); Washington Gas & Light (2020); Virginia Natural Gas LPG (2019); Columbia Gas of Virginia (2021 & 2019); CNX Resources Corp. (2020); Roanoke Gas Co. (2021 & 2019); Paramount Energy LC (2021 & 2018); Washington and Lee University (2018); VMI (2021 & 2015) ? exceeded 5 yr interval ? started inspection in 2020 but due to COVID restrictions the inspection was completed in 2021; Kendel at Lexington (2019); Metropolitan Washington Airports Authority (2021); Trow Corp. (2021 & discovered in 2016); Roanoke Gas LNG (2021 & 2018)

P&A ? City of Richmond (2019); Virginia Natural Gas (2021 & 2017); Washington Gas & Light (2021 & 2017); Virginia Natural Gas LPG (2021 & 2017); Columbia Gas of Virginia (2021 & 2017); CNX Resources Corp. (2021 & 2017); Roanoke Gas Co (2021 & 2017); Paramount Energy LC (2018)

D&A ? City of Richmond (2019); Virginia Natural Gas (2021 & 2017); Washington Gas & Light (2021 & 2017); Columbia Gas of Virginia (2021 & 2017); CNX Resources Corp. (2021 & 2017); Roanoke Gas Co (2021 & 2017); Paramount Energy LC (2018)

CRM ? City of Richmond (2019); Virginia Natural Gas (2021 & 2017); Washington Gas & Light (2020); Columbia Gas of Virginia (2018); CNX Resources Corp. (2020); Roanoke Gas Co (2019);

Construction ? City of Richmond (7/26/21); Virginia Natural Gas (7/29/21); Washington Gas & Light (11/3/21); Virginia Natural Gas LPG (2022); Columbia Gas of Virginia (5/10/21); Roanoke Gas Co (4/5/21);

OQ ? City of Richmond (2019); Virginia Natural Gas (2019); Washington Gas & Light (2020); Virginia Natural Gas LPG (2019); Columbia Gas of Virginia (2022 & 2019); CNX Resources Corp. (2019); Roanoke Gas Co (2018);

DIMP/TIMP ? City of Richmond (2021 & 2018); Virginia Natural Gas (2020); Washington Gas & Light (2020); Virginia Natural Gas LPG (2020); Columbia Gas of Virginia (2020); CNX Resources Corp. (2019); Roanoke Gas Co (2021 & 2017); Metropolitan Washington Airports Authority (2014)

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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:

Reviewed inspections: (Standard) City of Richmond (2021); Columbia Gas of Virginia (2021); Roanoke Gas Co. (2021); (P&A) Virginia Natural Gas (2021 letter has not been sent); Trow Corp. (2021); Columbia Gas of Virginia (2021); (D&A) Virginia Natural Gas (2021); Roanoke Gas Co (2021); (CRM) Virginia Natural Gas

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:

There were no OQ inspections scheduled in CY 2021.

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 <ul style="list-style-type: none"> 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? 	2	2
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Evaluator Notes:

Reviewed inspection reports: City of Richmond (2021) and Roanoke Gas (2021). The Program Manager requests annually information from each transmission operator. Amongst other things this request is for all planned IMP activities, ILI launches, integrity digs, direct examinations, planned replacements, and/or repairs. Projected work is tracked by the Program Manager in the shared TIMP@scc.virginia.gov calendar and scheduled to be inspected by qualified Staff. The Program Manager also requests the largest IM applicable operators to provide records and presentations on the IM programs, goals, accomplishments annually per program procedures.

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 <ul style="list-style-type: none"> 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? 	2	2
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Evaluator Notes:

The VA SCC performs NTSB Supplemental Question Sets annually of each operator per Section 5 of the programs procedures. Those questions sets detail items a-g as listed above. Where deficiencies are found with adequacy of regulatory required procedures, investigations are launched into the non-compliance.

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 VSCC asks applicable ADBs to each operator during standard inspections per Section 5 of the procedures. ADBs are listed in IA considerations. In addition, when new ADBs are issued they are shared through URS Safety Alert Emails to Staff and Operators.

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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 |
|---|--|----|----|
- 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:

Yes. The state did follow compliance procedures from discovery to resolution and adequately documented all probable violations.

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|---|--|----|----|
| 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:

Reviewed the reportable incidents listed in Attachment 4 of the 2021 Gas Base Grant Progress Report. All federally reportable incidents were investigated, thoroughly documented, with conclusions and recommendations.

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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 | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Letter sent 11/18/21, response received 01/28/22. No issues.

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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 Info Only
Info Only = No Points

Evaluator Notes:

VSCC conducted a virtual pipeline safety training session on October 21, 2020, due to the COVID-19 pandemic. It was attended by 160 operator representatives, PHMSA, and other stakeholders. Topics included the NTSB report on the Silver Spring, Maryland explosion, PHMSA and State responses, a presentation from the Virginia State Police Fusion center on eco-terrorism targeting pipelines, cyber security, and the anti-pipeline movement, the new Gas Implementation Rule, and other topics

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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 Info Only
Info Only = No Points

Evaluator Notes:

VSCC reviews NPMS Data of all operators during standard inspections and review of annual reports for mileage changes. In addition, they utilize NPMS data during accident and incident response in coordination with PHMSA AID. During this year, there were no inconsistencies or major changes to NPMS since the addition of the VNG Southside Connector Project on June 6, 2019.
VSCC did discover a segment of non-reported interstate pipeline operated by TransCanada providing service to the intrastate power generation facility which operates a short segment of intrastate metering and regulation. This was reported to PHMSA ER who worked with TransCanada to correct.

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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). 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The State utilizes Division Pipeline Safety Newsletter, URS Safety Alerts via e-mail alerts, Operator e-mail news list, state website, executive meetings, operator trainings upon request, and SCC/LDC meetings.

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

Evaluator Notes:

There were no open SRC Reports in PDM for the VSCC.

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

Evaluator Notes:

The Program Manager responds to all NAPSR and PHMSA surveys and information requests from PHMSA. Email surveys are kept in folder on Outlook. The VSCC responds to all tasks in WMS.

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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. 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

VSCC has not issued any waiver/special permits since 1999.

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

Evaluator Notes:

The state program's inspection, investigation, and enforcement system of record is PIPES. Additional files used to support these activities also exist digitally on the Commission's SharePoint site and digital files. All are backed up through the Commissions IT Division processes.

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

Evaluator Notes:

Discussed with the VSCC the accuracy of inspection day information in the SICT. The state program has updated the SICT tool prior to the deadline.

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|-----------|--|-----------|-----------|
| 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 | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

Discussed the State Performance Metrics with the VSCC and found there to be no negative trends in the gas pipeline safety program.

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

Evaluator Notes:

PSMS issues are used as a weight factor when deciding on a Warning Letter, NOPV, or NOA. There are numerous jurisdictional operators in the state of Virginia that use PSMS as means to address a safety culture environment.

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| 20 | General Comments:
Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

There were no issues identified in Part D of the program 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:

- Two separate inspections were performed in the Ashburn and Sterling, VA area.
- The inspection units are on a continuous inspection review due to construction activity.
- Yes, representatives from Washington Gas were presented.
- Lauren Govoni was the inspector being observed during the two separate constructions inspections.

- 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, observed Lauren Govoni using VA SSC construction form notebook to record information about the material and work being performed by Washington Gas Contractor personnel on the construction project in Ashburn at Loudoun County Parkway. Information on the service line replacement project at E. Beech Road in Sterling, VA was being recorded and entered into the notebook. No issues with the inspector using the correct form and recording the notes.

- 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:

- Observed Lauren Govoni asking detailed questions about operator qualifications, PE material specifications, depth of line, type of service regulator, EFV and fusion procedures.
- Yes, inspector checked the records of each employee performed the covered task at each site.
- Yes, construction procedures were reviewed and checked to insure company personnel were following the company's practices. Observed the inspector checking the calibration of all equipment being used at the construction sites.
- N/a
- Yes, the two inspection sites were of adequate length to observe the inspector performing the inspections.

- 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:

Yes, Lauren Govoni demonstrated excellent knowledge of the pipelines safety regulations during the two separate inspections performed. Ms. Govoni has completed all the TQ courses and is a qualified gas safety inspector.

- 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, at both construction inspection sites it was observed Lauren Govoni met the construction or company representative and performed an exit interview. No violations or areas of concern were found.

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. All safety procedures were followed during the review of the two construction sites.
 - b. Observed at each construction site the inspector wearing safety yellow vest, construction safety boots, eye protection and hard hat.
 - c. Lauren Govoni conducted a professional inspection and demonstrated her knowledge as a subject matter expert in pipeline safety regulations.
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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



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

Evaluator Notes:

The State program reviews the annual DOT reports of operators during the annual information request, March of each year. This is reviewed for trends and comparisons to other operators within the State. When conducting applicable inspections, such as F1, F2, and IM program inspections, division damage data and both internal and operator annual reports are reviewed through PDM or local copies submitted to the State Program.

Annual report data is also supplied as a weighted variable in the Division's risk model.

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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:

Each pipeline operator is under Commission Order to report all pipeline damages and Disturbances to the State Program under URS-2020-00439.

"In order to further implement the Commission's enforcement authority under the Act, the Commission hereby orders that, effective January 1, 2021, Virginia jurisdictional gas and hazardous liquid operators shall report to the Commission all probable violations of the Act, and any incident involving damage, dislocation, or disturbance of any gas or hazardous liquid pipeline on the Commission's DPA-1 Incident Report Form Revised December 2020 ("DPA-1")."

Each submitted DPA requires supporting evidence including picture, photographs, sketches, and the operator's failure investigation. Should there be issues with the failure investigation or supporting documentation, pipeline safety inspectors are forwarded the issue for inspection/investigation. If probable violations are discovered action is taken under the applicable damage prevention, failure investigations, or procedural citations under the pipeline safety code sections.

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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:

VSCC reviews annual report data long with more detailed and aggregate data on damages for trends. Based on a review of annual reports and state program data, two operators, Columbia Gas of Virginia and Washington Gas Light Co. have an upward trend in "operator failures" per their Annual Report damage data. A meeting occurred in 2021 based on their upward trend. The issues covered included locate failures and mapping. During a further review staff identified locate failures of their shared contract locator. Follow up inspections and investigations into these issues occurred in 2021. Investigations are ongoing.

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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 | 2 | 2 |
|---|--|---|---|
- 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:

The state program reviews annual report data long with more detailed and aggregate state data on damages for trends.

Beginning in 2021 the Division Support Staff also began to examine the impact of pipeline damages to underserved areas as required by PHMSA's most recent reauthorization. The SCC program completed its GIS project prior to any other pipeline regulator and found no correlation to pipeline damages disproportionately occurring in the underserved areas. The SCC program continues to revise and mature this model, adding the PHMSA definition of underserved areas when it was made available in late 2021. As of August, 2022 the model now has the SCC initial project layer, the PHMSA definition and referenced source data, and has begun to incorporate GPS coordinate mapping of operator leak data. The future goal of this layer will be able to further support DIMP, IM, F1, F2 inspections, and Staff testimony in legacy pipe replacement cases before the Commission.

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

Evaluator Notes:

There were no issues identified in Part E of the program 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:

Yes. Atlantic Coast (ACP) and Mountain Valley Pipelines (MVP) construction inspections were conducted using IA: all planned questions were answered, and required forms complete within IA.

- 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:

MVP construction inspections were conducted both with a PHMSA team and independently, no probable violations identified in CY2021.

Probable violations were identified for VA SCC's municipal Operator. Notice was provided to PHMSA within 15 days; documentation of the probable violations was provided within 60 days.

- 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:

Independent inspections were conducted, no immediate safety hazards conditions were identified.

- 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:

Yes. On Sep 30, 2020 PHMSA ER received a request from VA SCC to continue supporting PHMSA ER on the ACP and MVP construction inspections and extend the January 27, 2017 temporary interstate agent agreement.

- 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:

N/A

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

Evaluator Notes:

On Dec 14, 2021 VA SCC notified PHMSA ER that an Operator requested VA SCC's assistance with an uncooperative excavator along an Interstate Gas pipeline right of way. VA SCC (due to excavator) and PHMSA ER (due to Interstate Gas ROW) both responded in the field. VA SCC's Damage Prevention Team opened an investigation, from a state damage prevention law perspective, into the excavator's work over top of the Operator's ROW.

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