



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

1200 New Jersey Avenue SE
Washington DC 20590

2022 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



2022 Gas State Program Evaluation -- CY 2022

Gas

State Agency: Indiana

Agency Status:

Date of Visit: 05/01/2023 - 05/12/2023

Agency Representative: Miranda Erich, Director, Pipeline Safety Division

Michael Hummel, Pipeline Safety Engineer

Dan Novak, Pipeline Safety Engineer

James Skomp, Pipeline Safety Engineer

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, Indiana 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 2022 (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	9
50	50
15	15
10	10
0	0

TOTALS

100	99
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State Rating	99.0
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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 = 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 correct.
- b. Number of inspection person days (854) meet the minim requirement 752 days. Construction day inspections 189 met the 20% requirement.
- c. Operator's names & ID numbers match attachments 1 & 3.
- d. Three incidents were reported for CY2022.
- e. Number of carryover violations listed was 246 and number to be corrected at end of year is 127. Compliance action taken was 60 and no civil penalties were issued.
- f. A review of list of records appears to be correct.
- g. Reviewed TQ training records and verified 12 inspectors have attended classes. Inspector categories are as follows: 1-Cat I, 8-Cat II & 3-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.
- i. No issues with attachment 10.

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

- Items a - e are covered in Indiana Utility Regulatory Commission (IURC) Pipeline Safety Program Manual (PSPM). They continue to use their own in-depth rank risk program. The document contains all elements required to rank risk and priorities their inspection visits. This is found on pages 11-12 in section B, Inspection Planning.
- f: Yes, all inspection units are 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 |
|---|--|---|---|
- 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, located on pages 1-3 of Indiana Utility Regulatory Commission (IURC) Pipeline Safety Program Manual (PSPM) Section D, Inspection Form and Violation Processing.
 - b. Yes, also found on page 3 of IURC/PSPM Section D, Inspection Form and Violation Processing.
 - c. Yes, found on page 2, of IURC/PSPM Section D, Inspection Form and Violation Processing.
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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:

- a. Yes, located on pages 1-7 of IURC/PSPM Section F, Investigation of Incidents.
 - b. Yes, located on pages 3-4 of IURC/PSPM Section F, Investigation of Incidents. If they decide to not go to an incident, their reason is listed in the telephonic report form questions.
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- 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. A review of TQ records indicate the following individuals are qualified active gas inspectors that have completed all required courses: Miranda Erich, Howard Friend, Aaron Holeman, Michael Hummel, Rich Medcalf, Dan Novak, James Skomp, Robert Starkey and Charles Weindorf.
- b. The following individuals have completed the courses to be lead on Gas IM: Dan Novak and Charles Weindorf.
- c. The following inspectors have completed the LNG course: Miranda Erich, Howard Friend, Aaron Holeman, Michael Hummel, Rich Medcalf, Dan Novak & Charles Weindorf.
- d. The following inspectors have completed the Root Cause course: Miranda Erich, Aaron Holeman, Michael Hummel, Howard Friend, Robert Starkey, James Skomp & Charles Weindorf.
- e. Yes, three inspectors attended the Underground Corrosion Short Course in Fort Wayne, IN last year
- f. In accordance with 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 | 4 |
|---|--|---|---|

Evaluator Notes:

Miranda Erich was appointed Interim Director on January 3, 2023. She has been with IURC for four years and completed courses to be a Gas Safety Inspector. On April 20, 2023, she accepted the Director, Pipeline Safety Division position. She has been in the job four months and demonstrates a good working knowledge on the duties of the program manager. However, since being in this position for less than four months, one-point deduction.

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

A loss of one point occurred in this section of the review.

Total points scored for this section: 9
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 7 distributions, 4 transmissions, 2 LNG operators, 4 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 2022" 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 and found to comply with the required time schedule: Jasonville Gas Utility, City of Huntingsburg Gas, Osgood Gas Utility, Valley Rural Utility Co C/O Utility Pipeline LTD, Boonville Natural Gas, Indiana Gas Company, Granger Energy when out of business in CY2022: Transmission- Louisville Gas & Electric, Meridian Brick, Indiana Gas Company & Midwest Natural Gas Corporation: LNG- Northern Indiana Public Service Co. & LNG Indy, LLC. No areas of concern were identified.

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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 meet 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 confirms the agency inspectors are reviewing the companies OQ program. Jasonville Gas Company #10808, City of Huntingsburg Gas System #11343, Osgood Gas Utility #10553, Valley Rural Utility #11305, Boonville Natural Gas #11395, Indiana Gas Company #11402, Louisville Gas & Electric #10872, Indiana Gas Company #11402, Midwest Natural Gas #10663 & Riverside Petroleum #10866

- 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 2 2
- Yes = 2 No = 0 Needs Improvement = 1
- 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, the following operator's IMP plans and procedures were reviewed in CY2022: CenterPoint Energy 10-24-22, Citizens Gas 12-06-22 & NIPSCO 08-03-22.
- b. Yes, a review of CenterPoint Energy South inspection on 03-09-22 show a replacement of low-pressure pipe was replaced with HDPE. Sycamore Gas Company low pressure system was inspected and reviewed on 06-03-19.
- c. IURC continues to monitor these systems pertaining to a replacement program and threat analysis via DIMP inspection.

- 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
- 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:

- a. This item is covered in the IURC Standard Inspection Form - Corrosion Gas Distribution & Transmission Operator, question 15.
- b. Yes, this is addressed in IURC Standard Inspection Form - Corrosion Gas Distribution question P58.
- c. Yes, this is addressed in IURC Standard Inspection Form - Corrosion Gas Distribution question P19.
- d. Yes, this is addressed in IURC Standard Inspection Form - Corrosion Gas Distribution question P25 & P26.
- e. Yes, this is addressed in IURC Standard Inspection Form - Corrosion Gas Distribution question P20.
- f. Yes, this is addressed in IURC Standard Inspection Form - Corrosion Gas Distribution question P26.
- g. Yes, this is addressed in IURC Standard Inspection Form - Corrosion Gas Distribution question P50.

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

Evaluator Notes:

- Yes, this item is addressed in the communication letter send to all operators from IURC on September 28, 2022. The letter contains information on PHMSA advisory items.

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:

- a. Yes, reviewed the 60 compliance actions listed in the progress report and letters to the following operators. CenterPoint Energy #11403, Bainbridge Municipal Gas #11620, Citizens Gas Company #11622, Jasper Municipal Gas #11627, Gene Glick Company #11722, Jasonville Gas Utility #11893, Chrisney Municipal Gas #11647, Worthington Generation #11655, Pittsboro Gas #11495, Riverside Petroleum #11409, Centerpoint Energy #11402, Woodland Park Holdings #11542, Gardenside Terrace #11541, Serenity Springs Resort #11479 & Carriage House #11433. The review found letters were send to the company officer or manager of the company, municipal or master meter operator.
- b. Yes, all probable violations were documented with required evidence. No issues.
- c. Yes, violations were cleared and resolved within 60 days or dates established by the agency.
- d. Yes, probable violations are reviewed routinely by inspector and administrative staff on a weekly schedule.
- e. Yes, action was taken, and compliance action 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 inspection report or compliance letters found a post inspection was conducted via in-person with the operator.
- j. Yes, a review of compliance letters confirms 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. to c. Three incidents were listed in IURC 2022 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 reporting of incidents. The line is monitored 24 hours a day, 365 days a year, by a Pipeline Safety Program staff member.
- d. A review of inspection data confirm records of the three incidents were listed and inspected by staff members.
- e. Yes
- f. Yes
- g. Yes, compliance action was taken to the stakeholder who damaged the facility.
- h. Yes, an update to AID on the Northern Indiana Public Service Company incident that occurred on 07/19/2022 was provided.
- i. Lessons learned on the incidents are discussed with NAPSRS Program Managers.

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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:

Yes, Chairman Huston responded to Mr. Zach Barrett's letter on August 18, 2022, and within the 60-day time requirement.

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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 last pipeline safety seminar was conducted in French Lick, IN on April 19-21, 2022.

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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:

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

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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:

Yes, this is addressed in IURC website and annual letter to operators on changes within the regulations and other related items.

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| 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:

Yes, a review of PHMSA Data Mart found two safety related condition reports for CY2022. 1. NORTHERN INDIANA PUBLIC SERVICE CO 22-257986; 2. NORTHERN INDIANA PUBLIC SERVICE CO 22-248150. All reports were on transmission lines and updated by IURC.

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| 14 | Was the State responsive to:
Yes = 1 No = 0 Needs Improvement = .5 <ul style="list-style-type: none">a. Surveys or information requests from NAPSRS or PHMSA; andb. PHMSA Work Management system tasks? | 1 | 1 |
|-----------|---|---|---|
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Evaluator Notes:

Yes, they responded to 11 out of 16 NAPSRS survey requests.

- 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:

No waivers/special permits have been issued in CY2022.

- 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. 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:

Yes, Program Manager is familiar with the process of completing the SICT data. The recent report was updated on July 22, 2022, with comments on the risk assessment. No issues.

- 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

Evaluator Notes:

Reviewed the performance metrics with Program Manager 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 IURC Pipeline Safety Seminar. IURC staff continue to have meetings with Citizens Gas Company, Vectren, NIPSCO and CenterPoint 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 = 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 May 2, 2023, a standard LNG inspection was witnessed by this writer and performed by Mike Hummel, IURC. The inspection was conducted on NIPSCO LNG facility located at 2321 North 700 East, Rolling Prairie, IN.

b. This unit was last inspected in December 2022.

c. Yes, the following operator representatives were present: Tim DeRoche, Safety & Compliance; Sean Surratt, Supervisor LNG & Todd Mooth, Supervisor LNG.

d. Michael Hummel, Pipeline Safety Engineer was the lead inspector and has not been observed before.

a. On May 3, 2023, a construction inspection was performed on NiSource in Mishawaka, IN. This was a service line renewal project. On May 4, 2023 a construction project was conducted on NISource at Granger, IN.

b. N/A

c. Yes

d. Mr. James Skomp, Engineer has not been observed before.

- 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)

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Michael Hummel, Pipeline Safety Engineer, was lead inspector and used IURC LNG Form 4 to conduct the LNG inspection. He used the form as a guide in performing the inspection and asked questions to the operator representatives.

Yes, James Skomp, Pipeline Safety Engineer was lead inspector and used IURC Construction Inspection form. He completed the form on the items he reviewed and documented the results.

- 3 Did the inspector adequately review the following during the inspection

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. Using IURC Form 4 and asking questions to the operator help determine compliance to the pipeline safety regulations.

b. Records were checked on each piece of equipment located in the LNG facility during the field review.

c. Yes, records and calibration of equipment was reviewed on the walk around field inspection.

d. Observations and comments were made on the two 2 BCF tanks and vaporizers located at the plant.

e. Yes, the inspection was of adequate length and conducting in a professional manner.

a. Using IURC Construction Mr. Skomp asked questions to the operator to help determine compliance to the pipeline safety regulations.

b. Construction records were checked and equipment in the field.

c. Yes, PE fusion equipment was reviewed and checked.

d. Observed Miller Pipeline foreman heat fusing straight piece of pipe on each end of coiled 4" MDPE in the connecting bell hole.

e. Yes, the inspection was of adequate length and conducting in a professional manner.

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- | | | | |
|---|---|---|---|
| 4 | From your observation did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, Michael Hammel & James Skomp both demonstrated an excellent knowledge of the pipeline safety regulations.

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

Evaluator Notes:

Yes, both Engineers conducted a thorough exit interview at the end of the day. Several areas of concerns were mentioned to the operator to help improve the LNG facility and encourage outreach to the volunteer fire department to maintain a good working relationship. No violations were found or mentioned in either inspection.

- | | | | |
|---|--|-----------|-----------|
| 6 | Was inspection performed in a safe, positive, and constructive manner ?
Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|
- 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 inspection was performed in a safe and professional manner. In this regard, hard hats, eye and hearing protection and steel toe safety boots were required in the field observation of the LNG facility and construction sites.
 - b. Each inspector performed a complete field inspection of all equipment at the LNG facility and construction sites. Each component was checked and verified with the company's policies and procedures.
 - c. The two LNG tanks are checked monthly using a drone aircraft. The device allows the operator to check the outside of the tanks without having to walk up the steps around the tank. Construction site inspections have been performed unannounced to check locate request tickets and marking of facilities.
-

- | | | | |
|---|--|-----------|-----------|
| 7 | General Comments:
Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|

Evaluator Notes:

The LNG & construction inspections were professionally performed by each inspector.

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

Evaluator Notes:

Yes, this is accomplished by Program Manger reviewing the data along with each inspector conducting a review of the operator's annual reports prior to performing their inspection. This requirement 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)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

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. IRUC reviews and investigates the damage reports 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 2022, 1,902 damages were investigated. 418 warning letters were issued. 376 mandatory trainings were conducted, and 1,096 civil penalties issued. Total civil penalties assessed was \$1.504 M.

- | | | | |
|---|---|---|---|
| 3 | Has the state reviewed the operator's annual report pertaining to Part D - Excavation Damage?
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
|---|---|---|---|
- 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 their system.
- b. Yes, IURC staff reviews the operator's investigation reports and other data to confirm the root cause of the damages.
- c. Yes, IURC staff continue to review 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 with data collected by IURC for CY2022 the number of damages resulting from mismark was 573 out of 2554.
- g. The number of damages resulting from not locating was 173.

- h. Yes, there were 72 mapping errors in CY2022.
- i. Yes, this item is corrected after the damage has occurred. The operator has also implemented a process to address this item going forward on updating their maps.
- j. Yes.

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 continue to be the stakeholder group causing the highest number of damages in the State of Indiana.
- b. The monthly Damage Prevention Council Meetings address this issue and share information on causes of damages.
- c. Yes, failure to secure proper locate ticket. The number of damages has increased due to housing construction projects, water & sewer line and broad ban installation projects.
- 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
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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:

IN URC is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 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:

IN URC is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 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:

IN URC is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 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:

IN URC is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 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:

IN URC is not an interstate agent and does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:

IN URC is not an interstate agent and does not have a 60106 agreement with PHMSA.

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