



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

1200 New Jersey Avenue SE
Washington DC 20590

2012 Natural Gas State Program Evaluation

for

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Document Legend

PART:

- O -- Representative Date and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- Program Performance
- D -- Compliance Activities
- E -- Incident Investigations
- F -- Damage Prevention
- G -- Field Inspections
- H -- Interstate Agent State (If Applicable)
- I -- 60106 Agreement State (If Applicable)



2012 Natural Gas State Program Evaluation -- CY 2012
Natural Gas

State Agency: New Hampshire

Agency Status:

Date of Visit: 06/25/2013 - 06/27/2013

Agency Representative: Randy Knepper, Director Safety Division

PHMSA Representative: Glynn Blanton, USDOT/PHMSA State Programs

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

Name/Title: Ms. Amy L. Ignatius,, Chairman

Agency: New Hampshire Public Utilities Commission

Address: 21 South Fruit Street, Suite 10

City/State/Zip: Concord, New Hampshire 03301-2429

Rating:

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

INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2012 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. 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 space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on 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.

Field Inspection (PART G):

The field inspection form used will allow different areas of emphasis to be considered for each question. Question 13 is provided for scoring field observation areas. In completing PART G, the PHMSA representative should include a written summary which thoroughly documents the inspection.

Scoring Summary

PARTS

Possible Points Points Scored

A Progress Report and Program Documentation Review
B Program Inspection Procedures
C Program Performance
D Compliance Activities
E Incident Investigations
F Damage Prevention
G Field Inspections
H Interstate Agent State (If Applicable)
I 60106 Agreement State (If Applicable)

9 8
15 12.5
43 43
15 14
4 4
8 8
12 12
0 0
0 0

TOTALS

106 101.5

State Rating

95.8

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 1 | Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1 (A1a)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

Conducted a review of work papers, files and other data to confirm the operators and inspection units were correct and match Attachments 1, 2 & 3 in 2012 Natural Gas Base Grant Progress Report. In note section of Attachment 1 found a complete description of each inspection unit and operator. Good information. No issues.

- | | | | |
|---|--|---|---|
| 2 | Review of Inspection Days for accuracy - Progress Report Attachment 2 (A1b)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

A review of Attachment 2 found inspection days listed in "Note section" pertaining to LNG agree with number entered except inspection date 07/19/12 was entered incorrectly. The correct date is 08/15/12. No issues of concern.

- | | | | |
|---|--|---|---|
| 3 | Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3 (A1c)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

A review and comparison of Attachment 3, List of Operators, to NH PUC's data base found the list to be correct. No issues.

- | | | | |
|---|--|---|----|
| 4 | Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 (A1d)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|---|--|---|----|

Evaluator Notes:

No reportable incidents occurred in CY2012.

- | | | | |
|---|--|---|---|
| 5 | Accuracy verification of Compliance Activities - Progress Report Attachment 5 (A1e)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0 |
|---|--|---|---|

Evaluator Notes:

A review of Attachment 5, Stats on Compliance Actions, found the number of compliance actions, violations found and corrected were not reported correctly. The number found was 2 and corrected during CY was 1. The number to be corrected at end of CY should be 1 not 0. Any information listed on Attachment 7 that is not accurate results in a one point reduction.

- | | | | |
|---|---|---|---|
| 6 | Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 (A1f, A4)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, a review of data base indicated all inspection reports and other relative information on the operators were organized and accessible in the pipeline program files.

- | | | | |
|---|--|---|---|
| 7 | Was employee listing and completed training accurate and complete? - Progress Report Attachment 7 (A1g)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

A review of 2012 Natural Gas Base Grant Progress Report Attachment 7 found employees listed and their qualification categories were correct. It was noted the number of Clerical and Administrative Support staff was larger than the Inspector/ Investigator category due to retirement and hiring of individuals. No issues of concern.

- | | | | |
|---|---|---|---|
| 8 | Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

NH PUC Administrative Rule Puc 500 automatically adopt changes to CFR Part 192. No issues.

- | | | | |
|----------|---|---|---|
| 9 | List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 (H1-3)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

The description meets the minimum requirement but improvement is requested in providing a more descriptive narrative of planned and past performance objectives and accomplishments. The information listed is a copy and paste of last year's 2011 Progress Report Attachment 10. No lost of points occurred.

- | | | | |
|-----------|--|-----------|-----------|
| 10 | General Comments:
Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

A.5: A review of Attachment 5, Stats on Compliance Actions, found the number of compliance actions, violations found and corrected were not reported correctly. The number found was 2 and corrected during CY was 1. The number to be corrected at end of CY should be 1 not 0. Any information listed on Attachment 7 that is not accurate results in a one point reduction.

Total points scored for this section: 8
Total possible points for this section: 9



PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|----------|--------------------------------------|---|---|
| 1 | Standard Inspections (B1a) | 2 | 2 |
| | Yes = 2 No = 0 Needs Improvement = 1 | | |

Evaluator Notes:

A review of New Hampshire PUC's "Guidelines for Pipeline Safety Inspection" found this item listed on page 2 in the chart section with a reference note to "Routine Inspections". A review of the description indicate a portion of PHMSA Form 2 is checked during each visit will all sections completed and checked by the end of a five year time schedule.

- | | | | |
|----------|--|---|---|
| 2 | IMP Inspections (including DIMP) (B1b) | 1 | 1 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

A review of New Hampshire PUC's "Guidelines for Pipeline Safety Inspection" found this item listed on pages 5 & 6 in the chart section. The chart provided the interval schedule of 7 years for Transmission and 3 years for Distribution. PHMSA form Protocols A-N and Form 22 to be used.

- | | | | |
|----------|---------------------------------------|---|---|
| 3 | OQ Inspections (B1c) | 1 | 1 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

A review of New Hampshire PUC's "Guidelines for Pipeline Safety Inspection" found this item is listed on pages 3 in the chart section. The chart provided the interval schedule and PHMSA OPS Form 15 to be used.

- | | | | |
|----------|---------------------------------------|---|---|
| 4 | Damage Prevention Inspections (B1d) | 1 | 1 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

A review of New Hampshire PUC's "Guidelines for Pipeline Safety Inspection" found this item is listed on pages 3 in the chart section. The chart provided the interval schedule of 36 months and NH Puc Form 8 to be used.

- | | | | |
|----------|---------------------------------------|---|-----|
| 5 | On-Site Operator Training (B1e) | 1 | 0.5 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

A review of New Hampshire PUC's "Guidelines for Pipeline Safety Inspection" found this item was not listed or described in the chart section or document. Discussion with Program Manager determined on-site training has been provided during standard or other related inspections in the past but not documented. On-site training needs to be included in the chart or described in procedures. Improvement is needed in documenting this item. Therefore, a half point loss occurred.

- | | | | |
|----------|---------------------------------------|---|---|
| 6 | Construction Inspections (B1f) | 1 | 1 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

A review of New Hampshire PUC's "Guidelines for Pipeline Safety Inspection" found this item listed on pages 3 in the chart section. Construction inspections are scheduled on 36 months intervals using NH Puc Form 10 or 11.

- | | | | |
|----------|--|---|---|
| 7 | Incident/Accident Investigations (B1g) | 2 | 2 |
| | Yes = 2 No = 0 Needs Improvement = 1 | | |

Evaluator Notes:

A review of New Hampshire PUC's "Guidelines for Pipeline Safety Inspection" found this item was listed on page 4 & 5 under the title, "Failure Investigation Inspections".

- | | | | |
|----------|---|---|---|
| 8 | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? (B2a-d, G1,2,4) | 6 | 4 |
| | Yes = 6 No = 0 Needs Improvement = 1-5 | | |

a. Length of time since last inspection

Yes ☒ No ☐ Needs Improvement ☐

- | | | | |
|--|--------------------------------------|--------------------------|--|
| b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) | Yes <input type="radio"/> | No <input type="radio"/> | Needs Improvement <input checked="" type="radio"/> |
| c. Type of activity being undertaken by operators (i.e. construction) | Yes <input type="radio"/> | No <input type="radio"/> | Needs Improvement <input checked="" type="radio"/> |
| d. Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc) | Yes <input type="radio"/> | No <input type="radio"/> | Needs Improvement <input checked="" type="radio"/> |
| 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) | Yes <input type="radio"/> | No <input type="radio"/> | Needs Improvement <input checked="" type="radio"/> |
| f. Are inspection units broken down appropriately? | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

- This item is listed on page 2 of New Hampshire PUC's "Guidelines for Pipeline Safety Inspection".
- This item was not in the procedures. Improvement is needed.
- This item was not in the procedures. Improvement is needed.
- This item was not in the procedures. Improvement is needed.
- This item was not in the procedures. Improvement is needed.
- A review of the inspection units found them to be appropriately broken down.

9 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

Loss of points occurred in sections B5 & B8.

Total points scored for this section: 12.5
Total possible points for this section: 15



PART C - Program Performance

Points(MAX) Score

- 1 Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 (A12) 5 5
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):
154.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 1.67 = 366.67

Ratio: A / B
154.00 / 366.67 = 0.42

If Ratio \geq 0.38 Then Points = 5, If Ratio $<$ 0.38 Then Points = 0
Points = 5

Evaluator Notes:

A.Total Inspection Person Days (Attachment 2)= 154

B.Total Inspection Person Days Charged to the program(220*Number of Inspection person years(Attachment 7)=366.66652

Formula:- Ratio = A/B = 154/366.66652 = 0.42

Rule:- (If Ratio \geq .38 then points = 5 else Points = 0.)

Thus Points = 5

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines for requirements) Chapter 4.4 (A8-A11, G19) 5 5
Yes = 5 No = 0 Needs Improvement = 1-4

- | | | | | |
|----|--|--------------------------------------|--------------------------|---|
| a. | Completion of Required OQ Training before conducting inspection as lead? | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Root Cause Training by at least one inspector/program manager | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Note any outside training completed | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes, the lead inspector David Burnell has completed OQ and IMP training before conducting inspections. Mr. Joseph Vercellotti has attended and completed PL1250 course in September, 2012. David Burnell and Randy Knepper have completed the root cause analysis course. All staff members have met the training requirements for the year of the evaluation.

- 3 Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 (A5) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Randy Knepper has many years of experience in pipeline safety, understands the requirements in submitting a grant application and payment agreement documents. He currently serves as Chairman on the NAPSRS organization and NARUC Staff sub-committee on Pipeline Safety.

- 4 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 (A6-7) 2 NA
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

No response was requested in the letter to NH PUC Chairman Amy Ignatius on November 1, 2012.

- 5 Did State hold PHMSA TQ Seminar in Past 3 Years? Chapter 8.5 (A3) 2 2
Yes = 2 No = 0

Evaluator Notes:

Yes, in October 10-11, 2012, NH PUC in conjunction with the New England Pipeline Representatives hosted a seminar that was held in Gorton, Connecticut.

-
- | | | | |
|---|---|---|---|
| 6 | Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 (B3)
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
|---|---|---|---|
-

Evaluator Notes:

Yes, operators are inspected in accordance with NH PUC Guidelines procedures and the time intervals listed. A check of master meter and intrastate operators indicate each operator was inspected within the required time schedule. No issues.

- | | | | |
|---|---|---|---|
| 7 | 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 (B4-5)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|
-

Evaluator Notes:

NH PUC engineers use PHMSA Inspection forms in conducting an audit. If they note an item as N/A in the form, a comment is included in the comment section.

- | | | | |
|---|--|---|---|
| 8 | Did the state review operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken? (NTSB) Chapter 5.1 (B7)
Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|
-

Evaluator Notes:

Yes, NH PUC Form #4, pp 13-14 (part 192.489) address this item.

- | | | | |
|---|---|---|---|
| 9 | Did the state review 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) (NTSB) Chapter 5.1 (B8)
Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|
-

Evaluator Notes:

Yes, this item is reviewed by NH PUC staff members in January and April of each year. The operators are required by PUC order number 25370 issued on May 30, 2012, to submit this information.

- | | | | |
|----|--|---|---|
| 10 | Did the state review 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? (NTSB) Chapter 5.1 (B9)
Yes = 1 No = 0 | 1 | 1 |
|----|--|---|---|
-

Evaluator Notes:

Yes, this is reviewed by NH PUC staff annually when the operators submits their Operations and Maintenance Procedures. No issues.

- | | | | |
|----|---|---|---|
| 11 | Did the state review 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? Chapter 5.1 (B10,E5)
Yes = 1 No = 0 | 1 | 1 |
|----|---|---|---|
-

Evaluator Notes:

Yes, NH PUC staff review monthly the operator's response time of any leaks, odor complaints or any other event requiring an emergency response. This is a NH PUC order and rule requirement.

- | | | | |
|----|---|---|---|
| 12 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? Data Initiative (G6-9,G16)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----|---|---|---|
-

Evaluator Notes:

NH PUC staff review Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues. This information is posted on a spreadsheet and used to determine trends.

- 13 Did state input all applicable OQ, IMP inspection results into federal database in a timely manner? This includes replies to Operator notifications into IMDB database. Chapter 5.1 (G10-12) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

A review of the PHMSA Operator Qualification data base indicated five inspection reports for calendar year 2012 were entered in a timely manner by NH PUC staff members David Burnell and Chet Kokoszka from 3-14 to 8-16-12. Total number submitted was 5 reports pertaining to KeySpan and Northern Utilities inspections.

- 14 Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission? (G14) 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Staff members check the submission and updates by operators into the NPMS data base prior to performing inspections. However, NH PUC staff found errors in the information and use their own GIS system mapping data. No issues.

- 15 Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199 (I1-3) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, this is checked during the drug and alcohol inspections. It was recommended this procedure be included in the Guidelines for Pipeline Safety Inspections.

- 16 Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 192 Part N (I4-7) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, the operators are required to submit their OQ program to NH PUC in accordance to rule number 506.2 subsection "T". Each plan is reviewed and comments sent to operators about areas of concern. No issues.

- 17 Is state verifying operator's gas transmission integrity management programs (IMP) are up to date? This should include a previous review of IMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart O (I8-12) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, the operators are required to submit their IMP program to NH PUC in accordance to rule number 506.2 subsection "T". Each plan is reviewed and comments sent to operators about areas of concern.

- 18 Is state verifying operator's gas distribution integrity management Programs (DIMP)? 2 2
This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart P
DIMP ? First round of program inspections should be complete by December 2014

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, the operators are required to submit their DIMP program to NH PUC in accordance to rule number 506.2 subsection "T". Each plan is reviewed and comments sent to operators about areas of concern.

- 19 Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 192.616 (I13-16) PAPEI Effectiveness Inspections should be complete by December 2013 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, the operators are required to submit their PAPEI program to NH PUC in accordance to rule number 506.2 subsection "T". Each program is reviewed and comments sent to operators about areas of concern.

- 20 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). (G20-21) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes this is accomplished by newsletters, NH PUC website and meetings with operators.

- 21 Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (B6) 1 NA

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of PHMSA Pipeline Data Mart found no Safety Related Condition Reports were submitted in 2012. NA

- 22 Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? (G13) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, the operators are required to identify any plastic pipe and components that show a record of defects and file the information in accordance to NH PUC order 25370 effective May 30, 2012.

- 23 Did the state participate in/respond to surveys or information requests from NAPS or PHMSA? (H4) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, NH PUC participated in all surveys and inquiries from NAPS in CY2012.

- 24 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

No loss of points occurred in this section.

Total points scored for this section: 43
Total possible points for this section: 43

PART D - Compliance Activities**Points(MAX) Score**

- | | | | |
|----------|---|---|--|
| 1 | Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1 (B12-14, B16, B1h)
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 3 |
| a. | Procedures to notify an operator (company officer) when a noncompliance is identified | Yes <input type="radio"/> No <input type="radio"/> | Needs Improvement <input checked="" type="radio"/> |
| b. | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

A. NH PUC written procedures do not describe notification to be sent to the company officer. The procedures state "a written notice of probable violation (NOPV) will be provided to the party alleged to have committed the violation". Improvement is needed. Therefore, a loss of one point occurred.

B. Yes, this is addressed in NH PUC rule numbers 511.01, 511.04, 511.05, 511.06, 511.07, 511.08, 511.09, 511.10 & 513.00. Good procedures.

- | | | | |
|----------|--|---|---|
| 2 | 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 (B11,B18,B19)
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Were compliance actions sent to company officer or manager/board member if municipal/government system? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Were probable violations documented? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Were probable violations resolved? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Was the progress of probable violations routinely reviewed? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

A. Yes, a review of NH PUC compliance file found a letter was sent to Mr. Hopewell Budd, Manager of Osterman Propane Company on May 7, 2012.

B. Yes, probable violation was described in letter dated May 7, 2012.

C. Yes, violation was resolved on October 23, 2012.

D. Yes.

- | | | | |
|----------|--|---|---|
| 3 | Did the state issue compliance actions for all probable violations discovered? (B15)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

Yes, a review of 2012 NH PUC Progress Report Attachment 5 show one compliance action was taken against Osterman Propane Company. No issues of concern.

- | | | | |
|----------|--|---|---|
| 4 | Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary. (B17, B20)
Yes = 2 No = 0 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

Yes, this is addressed in NH PUC rule 511.08.

- | | | | |
|----------|---|---|---|
| 5 | Is the program manager familiar with state process for imposing civil penalties? Were civil penalties considered for repeat violations (with severity consideration) or violations resulting in incidents/accidents? (describe any actions taken) (B27)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

Yes, Randy Knepper has imposed civil penalties and understands the procedures in taking action against an operator for non-compliance with safety rules and regulations. No issues.

- | | | | |
|----------|---|---|---|
| 6 | Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

Yes, in CY2012 NH PUC issues a civil penalty of \$20,500 against Liberty Utilities for non-compliance.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

A loss of one point occurred in this section. See Question D.1 for details.

Total points scored for this section: 14
Total possible points for this section: 15



PART E - Incident Investigations

Points(MAX) Score

- | | | | |
|----------|---|--------------------------------------|--|
| 1 | Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 (A2,D1-3)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
| a. | Acknowledgement of MOU between NTSB and PHMSA (Appendix D) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes, NH PUC Guidelines for Pipeline Safety Inspections, page 4 sub title, "Failure Investigation Inspections", describes the receiving and responding to operator reports of accidents. This section contains the Appendixes for the MOU and Federal/State Cooperation Agreements. No issues of concern.

- | | | | |
|----------|---|---|----|
| 2 | If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 (D4)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

No incidents occurred in CY 2012. However, all incidents under NH PUC rules are reportable in accordance to Rule 504.5. They response to all incidents. No issues.

- | | | | |
|----------|--|--------------------------------------|--|
| 3 | Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? (D5)
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | NA |
| a. | Observations and document review | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Contributing Factors | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Recommendations to prevent recurrences when appropriate | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

No incidents occurred in CY 2012. NA.

Yes, reviews of files and data base indicate all reportable or non-reportable incidents were documented and conclusions provided in an email or report. No issues.

- | | | | |
|----------|--|---|----|
| 4 | Did the state initiate compliance action for violations found during any incident/accident investigation? (D6)
Yes = 1 No = 0 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA. No incidents occurred in CY2012.

- | | | | |
|----------|--|---|---|
| 5 | Did the state assist region office by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 (D7)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

An email dated 06-04-13 to Bryon Coy, Director PHMSA Eastern Region found NH PUC is providing information on all requested incidents or reports.

NH PUC was given temporary interstate agent on January 29, 2013 to inspect Granite State Gas Transmission, Inc. Information on the inspections were in the process of being completed and submitted to PHMSA Eastern Region. No issues.

- | | | | |
|----------|---|---|---|
| 6 | Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPS Region meetings, state seminars, etc) (G15)
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

Yes, during the NAPSR Eastern Regional Meetings, Randy Knepper shares information on their reporting requirements, national incidents and other data on damage prevention and pipeline safety. No issues.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

No issues or loss of points occurred in this section.

Total points scored for this section: 4
Total possible points for this section: 4



PART F - Damage Prevention

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 1 | Has the state reviewed 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? NTSB (E1)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, NH PUC has reviewed directional drilling in each of the local distribution companies. For example, Northern Utilities Procedures Section 4.3; National Grid Procedure DAMG-5020. Additionally, NH PUC Rule 805.02(e) cover this item under the reasonable care requirments.

- | | | | |
|---|--|---|---|
| 2 | Did the state inspector check to assure the pipeline operator is following its written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system? (E2)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, NH PUC uses the federal inspection form. No issues.

- | | | | |
|---|---|---|---|
| 3 | Did the state encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (i.e. such as promoting/adopting the CGA Best Practices encouraging adoption of the 9 Elements, etc.) (E3)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, this is accomplished by the local distribution companies being a member of the New Hampshire Management Underground Safety Tranining (MUST) organization. MUST meetings are conducted in February & March in each year.

- | | | | |
|---|--|---|---|
| 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? (This can include DIRT and other data shared and reviewed by the pipeline safety program) (E4,G5)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, NH PUC collects data on pipeline damages per 1,000 locate request. Operators are required to submit monthly causes of excavation damage and final determinations are made after due process in accordance with NH PUC Rule 804.01 (a-e) (E-26). No issues of concern.

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

Evaluator Notes:

No issues or loss of points occurred in this section.

Total points scored for this section: 8
Total possible points for this section: 8

PART G - Field Inspections

Points(MAX) Score

- 1 Operator, Inspector, Location, Date and PHMSA Representative Info Only Info Only
Info Only = No Points

Name of Operator Inspected:
Liberty Utilities Inc.(Tilton LNG Facility)

Name of State Inspector(s) Observed:
Joe Vercellotti, Safety Engineer

Location of Inspection:
Tilton, New Hampshire

Date of Inspection:
June 25, 2013

Name of PHMSA Representative:
Glynn Blanton, PHMSA State Evaluator

Evaluator Notes:

The following individuals from Liberty Utilities were presented: Leo Cody, Program Manager Compliance & Quality, Keith Finlay, Plant Manager, Dave Bennett, Plant Tech, Dave Sandrelli, LNH Plant Supervisor and Dan Bogdon, Plant Tech.

- 2 Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (F2) 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes, operator was notified by Joe Vercellotti, NH PUC Safety Engineer, via telephone call one week prior to inspection visit.

- 3 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) (F3) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, PHMSA Standard Inspection form 4 was used.

- 4 Did the inspector thoroughly document results of the inspection? (F4) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, information was recorded into PHMSA Standard form 4 via laptop computer. No issues.

- 5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps,pyrometer,soap spray,CGI,etc.) (F5) 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes, the operator provided documents and records of work performed.

- 6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) (F7) 2 2
Yes = 2 No = 0 Needs Improvement = 1
- | | |
|---------------------------|-------------------------------------|
| a. Procedures | <input checked="" type="checkbox"/> |
| b. Records | <input checked="" type="checkbox"/> |
| c. Field Activities | <input type="checkbox"/> |
| d. Other (please comment) | <input type="checkbox"/> |

Evaluator Notes:

This was a records and procedures review. A field inspection was conducted to review the LNG holding tank and equipment. No areas of concerns were found.

- 7 Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) (F8) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Joe Vercellotti, Safety Engineer has completed the LNG course in April, 2013 and is qualified to perform field inspection.

- 8 Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) (F9) 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes, an exit interview was conducted and no areas of concerns or violations were found or noted.

- 9 During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable) (F10) 1 1
Yes = 1 No = 0

Evaluator Notes:

No violations were noted or found.

- 10 General Comments: What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) Other. Info Only Info Only
Info Only = No Points

- | | | |
|----|-----------------------------------|-------------------------------------|
| a. | Abandonment | <input type="checkbox"/> |
| b. | Abnormal Operations | <input checked="" type="checkbox"/> |
| c. | Break-Out Tanks | <input type="checkbox"/> |
| d. | Compressor or Pump Stations | <input type="checkbox"/> |
| e. | Change in Class Location | <input type="checkbox"/> |
| f. | Casings | <input type="checkbox"/> |
| g. | Cathodic Protection | <input type="checkbox"/> |
| h. | Cast-iron Replacement | <input type="checkbox"/> |
| i. | Damage Prevention | <input type="checkbox"/> |
| j. | Deactivation | <input type="checkbox"/> |
| k. | Emergency Procedures | <input checked="" type="checkbox"/> |
| l. | Inspection of Right-of-Way | <input type="checkbox"/> |
| m. | Line Markers | <input type="checkbox"/> |
| n. | Liaison with Public Officials | <input type="checkbox"/> |
| o. | Leak Surveys | <input type="checkbox"/> |
| p. | MOP | <input type="checkbox"/> |
| q. | MAOP | <input type="checkbox"/> |
| r. | Moving Pipe | <input type="checkbox"/> |
| s. | New Construction | <input type="checkbox"/> |
| t. | Navigable Waterway Crossings | <input type="checkbox"/> |
| u. | Odorization | <input type="checkbox"/> |
| v. | Overpressure Safety Devices | <input type="checkbox"/> |
| w. | Plastic Pipe Installation | <input type="checkbox"/> |
| x. | Public Education | <input type="checkbox"/> |
| y. | Purging | <input type="checkbox"/> |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/> |
| A. | Repairs | <input type="checkbox"/> |
| B. | Signs | <input checked="" type="checkbox"/> |
| C. | Tapping | <input type="checkbox"/> |
| D. | Valve Maintenance | <input checked="" type="checkbox"/> |

- | | | |
|----|-----------------------------|-------------------------------------|
| E. | Vault Maintenance | <input type="checkbox"/> |
| F. | Welding | <input type="checkbox"/> |
| G. | OQ - Operator Qualification | <input checked="" type="checkbox"/> |
| H. | Compliance Follow-up | <input type="checkbox"/> |
| I. | Atmospheric Corrosion | <input type="checkbox"/> |
| J. | Other | <input checked="" type="checkbox"/> |

Evaluator Notes:

Operations and Maintenance procedures, security procedures and failure procedure were reviewed. Drug and alcohol questions were asked and completed during the field inspection. No issues.

Total points scored for this section: 12
Total possible points for this section: 12



PART H - Interstate Agent State (If Applicable)**Points(MAX) Score**

- | | | | |
|----------|---|---|----|
| 1 | Did the state use the current federal inspection form(s)? (C1)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|--|---|----|
| 2 | Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? (C2)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|---|---|----|
| 3 | Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? (C3)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|--|---|----|
| 4 | Were probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (C4)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|--|---|----|
| 5 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (C5)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|---|---|----|
| 6 | Did the state give written notice to PHMSA within 60 days of all probable violations found? (C6)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|--|---|----|
| 7 | Did the state initially submit documentation to support compliance action by PHMSA on probable violations? (C7)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|--|-----------|-----------|
| 8 | General Comments:
Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:

NA

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

PART I - 60106 Agreement State (If Applicable)**Points(MAX) Score**

- | | | | |
|----------|--|---|----|
| 1 | Did the state use the current federal inspection form(s)? (B21)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|--|---|----|
| 2 | Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan? (B22)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|---|---|----|
| 3 | Were any probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (B23)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|---|---|----|
| 4 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (B24)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|--|---|----|
| 5 | Did the state give written notice to PHMSA within 60 days of all probable violations found? (B25)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|--|---|----|
| 6 | Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? (B26)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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