



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

1200 New Jersey Avenue SE  
Washington DC 20590

## 2009 Natural Gas State Program Evaluation

for

NEW JERSEY BOARD OF PUBLIC UTILITIES

### Document Legend

#### PART:

- O -- Representative Date and Title Information
- A -- General Program Qualifications
- B -- Inspections and Compliance - Procedures/Records/Performance
- C -- Interstate Agent States
- D -- Incident Investigations
- E -- Damage Prevention Initiatives
- F -- Field Inspection
- G -- PHMSA Initiatives - Strategic Plan
- H -- Miscellaneous
- I -- Program Initiatives



2009 Natural Gas State Program Evaluation -- CY 2009  
Natural Gas

**State Agency:** New Jersey

**Agency Status:**

**Date of Visit:** 09/20/2010 - 09/24/2010

**Agency Representative:** Michael Stonack

**PHMSA Representative:** Dino N.Rathod, P.E.

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

**Name/Title:** Mr. Lee A. Solomon, President

**Agency:** New Jersey Board of Public Utilities

**Address:** Two Gateway Center

**City/State/Zip:** Newark, New Jersey 07102

**Rating:**

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

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**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 2009 (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 certification/agreement attachments provide the basis for determining the state's pipeline safety grant allocation.

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**Field Inspection (PART F):**

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 F, the PHMSA representative should include a written summary which thoroughly documents the inspection.

**Scoring Summary**

**PARTS**

**Possible Points    Points Scored**

A	General Program Qualifications	26	24
B	Inspections and Compliance - Procedures/Records/Performance	24.5	24.5
C	Interstate Agent States	0	0
D	Incident Investigations	7	7
E	Damage Prevention Initiatives	9	9
F	Field Inspection	11	11
G	PHMSA Initiatives - Strategic Plan	10	10
H	Miscellaneous	3	3
I	Program Initiatives	9	9

**99.5                      97.5**

**TOTALS**

**State Rating ..... 98.0**

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## PART A - General Program Qualifications

Points(MAX) Score

- |          |  |                                     |   |
|----------|--|-------------------------------------|---|
| <b>1</b> | Did the state submit complete and accurate information on the attachments to its most current 60105(a) Certification/60106 (a) Agreement? (NOTE: PHMSA Representative to verify certification/agreement attachments by reviewing appropriate state documentation. Score a deficiency in any one area as "needs improvement". Attachment numbers appear in parenthesis) Previous Question A.1, Items a-h worth 1 point each<br>Yes = 8 No = 0 Needs Minor Improvement = 3-7 Needs Major Improvement = 2 | 8                                   | 6 |
| <hr/>    |  |                                     |   |
| a.       | State Jurisdiction and agent status over gas facilities (1)  | <input checked="" type="checkbox"/> |   |
| b.       | Total state inspection activity (2)  | <input checked="" type="checkbox"/> |   |
| c.       | Gas facilities subject to state safety jurisdiction (3)  | <input checked="" type="checkbox"/> |   |
| d.       | Gas pipeline incidents (4)   | <input checked="" type="checkbox"/> |   |
| e.       | State compliance actions (5)   | <input checked="" type="checkbox"/> |   |
| f.       | State record maintenance and reporting (6)   | <input checked="" type="checkbox"/> |   |
| g.       | State employees directly involved in the gas pipeline safety program (7)   | <input type="checkbox"/>            |   |
| h.       | State compliance with Federal requirements (8)   | <input checked="" type="checkbox"/> |   |

### SLR Notes:

Discussed several minor corrections needed in Attachment 2 & 7- (page 20). BPU incorrectly reported "No" D&A inspections. Upon review, NJ found documentation to claim D&A Inspection activity.  
Attachment 7 Summary on Page 20 was listed incorrectly. BPU was advised to recheck and revise to show corrected / missing data- Person days spent by Inspectors. Subsequently BPU e-mail dated 10-20,2010 provided revised information. BPU was advised to inform Zach with mark-up copies of changes by e-mail for his concurrence and correct data in FedStar ASAP.

- |          |   |   |   |
|----------|---|---|---|
| <b>2</b> | Did the state have an adequate mechanism to receive operator reporting of incidents to ensure state compliance with 60105(a) Certification/60106(a) Agreement requirements (fatality, injury requiring hospitalization, property damage exceeding \$50,000 - Mechanism should include receiving "after hours" reports)? (Chapter 6) Previous Question A.2<br>Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

### SLR Notes:

- |          |   |   |   |
|----------|---|---|---|
| <b>3</b> | Has the state held a pipeline safety TQ seminar(s) in the last 3 years? (NOTE: Indicate date of last seminar or if state requested seminar, but T&Q could not provide, indicate date of state request for seminar. Seminars must be held at least once every 3 calendar years.) (Chapter 8.5) Previous Question A.4<br>Yes = 2 No = 0 | 2 | 2 |
|----------|---|---|---|

### SLR Notes:

NJ hosted T&Q seminar April 2008. NJ BPU is also hosting a T&Q Seminar in October 2010

- |          |  |   |   |
|----------|--|---|---|
| <b>4</b> | Were pipeline safety program files well-organized and accessible?(NOTE: This also includes electronic files) (Chapter 5) Previous Question A.5<br>Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

### SLR Notes:

- |          |   |   |   |
|----------|---|---|---|
| <b>5</b> | Did state records and discussions with the state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? (Chapter 4.1, Chapter 8.1) Previous Question A.6<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

### SLR Notes:

Mike Stonack is very experienced in pipeline regulatory and intrastate gas company operations. He has completed T&Q training courses. He also works closely with PHMSA and NAPSRS states. He provides guidance to BPU inspectors.

- |          |   |   |   |
|----------|---|---|---|
| <b>6</b> | Did the state respond in writing within 60 days to the requested items in the Chairman's letter following the Region's last program evaluation? (No response is necessary if no items are requested in letter and mark "Yes") (Chapter 8.1) Previous Question A.8<br>Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

### SLR Notes:

BPU sent response within 60 days.

- 7 What actions, if necessary, did the State initiate as a result of issues raised in the Chairperson's letter from the previous year? Did actions correct or address deficiencies from previous year's evaluation? (No response is necessary if no items are requested in letter and mark "Yes") (Chapter 8.1) Previous Question A.8/A.9 1 1  
Yes = 1 No = 0

SLR Notes:

NJ Natural Gas Pipelines -readoption of Administrative Code was approved in August 2009

## Personnel and Qualifications

- 8 Has each inspector fulfilled the 3 year TQ training requirement? If No, has the state been granted a waiver regarding TQ courses by the Associate Administrator for Pipeline Safety? (NOTE: If the State has new inspectors who have not attended all TQ courses, but are in a program which will achieve the completion of all applicable courses within 3 years of taking first course (5 years to successfully complete), or if a waiver has been granted by the applicable Region Director for the state, please answer yes.) (Chapter 4.4) Previous Question A.10 3 3  
Yes = 3 No = 0

SLR Notes:

Review of BPU Inspector T&Q training indicated that BPU has M Stonack complete required IMP course as a Lead Person. But one BPU inspector took IMP PL1297 in May 2005 but has not successfully completed. I suggested that this be completed by registering with T&Q as soon as possible. BPU to keep me informed of progress.

- 9 Brief Description of Non-TQ training Activities: Info Only Info Only  
Info Only = No Points  
For State Personnel:  
  
For Operators:  
  
For Non-Operator Entities/Parties, Information Dissemination, Public Meetings:

SLR Notes:

- 10 Did the lead inspectors complete all required T&Q OQ courses and Computer Based Training (CBT) before conducting OQ Inspections? (Chapter 4.4.1) Previous Question A.12 1 1  
Yes = 1 No = 0

SLR Notes:

- 11 Did the lead inspectors complete all required TQ Integrity Management (IMP) Courses/Seminars and CBT before conducting IMP Inspections? (Chapter 4.4.1) Previous Question A.13 1 1  
Yes = 1 No = 0

SLR Notes:

M. Stonack has completed required IMP courses and CBTs

- 12 Was the ratio acceptable of Total inspection Person-days to Total Person-days charged to the program by state inspectors? (Region Director may modify points for just cause) (Chapter 4.3) Previous Question B.12 5 5  
Yes = 5 No = 0  
A. Total Inspection Person Days (Attachment 2):  
398.00  
B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
220 X 3.00 = 660.00  
Ratio: A / B  
398.00 / 660.00 = 0.60  
If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0  
Points = 5

SLR Notes:

OK. Ratio > 0.38, Score=5 points

**13** Have there been modifications or proposed changes to inspector-staffing levels? (If yes, describe) Previous Info Only Info Only  
Question B.13  
Info Only = No Points

SLR Notes:

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**14** Part-A General Comments/Regional Observations Info Only Info Only  
Info Only = No Points

SLR Notes:

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Total points scored for this section: 24  
Total possible points for this section: 26



## PART B - Inspections and Compliance - Procedures/Records/ Performance

Points(MAX) Score

### Inspection Procedures

- 1** Does the State have a written inspection plan to complete the following? (all types of operators including LNG) (Chapter 5.1) Previous Question B.1 + Chapter 5 Changes + Incorporate LNG 6.5 6.5  
Yes = 6.5 No = 0 Needs Improvement = 50% Deduction
- |   |   |                                      |                          |   |
|---|---|--------------------------------------|--------------------------|---|
| a | Standard Inspections (Including LNG) (Max points = 2) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b | IMP Inspections (Including DIMP) (Max points = .5)    | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c | OQ Inspections (Max points = .5)                      | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d | Damage Prevention (Max points = .5)                   | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e | On-Site Operator Training (Max points = .5)           | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| f | Construction Inspections (Max points = .5)            | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| g | Incident/Accident Investigations (Max points = 1)     | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| h | Compliance Follow-up (Max points = 1)                 | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

SLR Notes:

- 2** Did the written Procedures for selecting operators adequately address key concerns? (Chapter 5.1) Previous Question B.2, items a-d are worth .5 point each 2 2  
Yes = 2 No = 0 Needs Improvement = 50% Deduction
- |   |  |                                      |                          |   |
|---|--|--------------------------------------|--------------------------|---|
| a | Length of time since last inspection   | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b | History of Operator/unit and/or location (including leakage , incident and compliance history) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c | Type of activity being undertaken by operator (construction etc)                               | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d | For large operators, rotation of locations inspected   | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

SLR Notes:

### Inspection Performance

- 3** Did the state inspect all types of operators and inspection units in accordance with time intervals established in its written procedures? (Chapter 5.1) Previous Question B.3 2 2  
Yes = 2 No = 0

SLR Notes:

- 4** Did the state inspection form cover all applicable code requirements addressed on the Federal Inspection forms? (Chapter 5.1 (3)) Previous Question B.4 1 1  
Yes = 1 No = 0

SLR Notes:

I also suggested that BPU may consider obtaining a MMO inspection form from MD PSC. NJ can revise to BPU requirements, as necessary. Mike Stonack agreed to utilize ASAP. Also on-going discussion for electronic forms to allow resources effectively. Current method of manually documenting revisions/ changes is very cumbersome and time consuming.

- 5** Did state complete all applicable portions of inspection forms? (Chapter 5.1 (3)) Previous Question B.5 1 1  
Yes = 1 No = 0

SLR Notes:

- 6** Did the state initiate appropriate follow-up actions to Safety Related Condition Reports? (Chapter 6.3) Previous Question B.6 .5 NA  
Yes = .5 No = 0

SLR Notes:

<b>7</b>	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) Previous Question B.7 Yes = .5 No = 0	.5	.5
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## SLR Notes:

BPU reviews Exposed CI pipe inspection form (GS-9-LP) - item 18. Code Requirement per Part 192.459

<b>8</b>	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) Previous Question B.8 Yes = .5 No = 0	.5	.5
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## SLR Notes:

BPU inspection form GS-2, page 2 of 6. LDC procedures Typical example- NJNG procedure 3.07-01

<b>9</b>	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) Previous Question B.9 Yes = .5 No = 0	.5	.5
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## SLR Notes:

BPU inspection form GS-3, pages 2 and 3 cover these items. Example- NJNG procedures Section 4.0 and 3.01.03

<b>10</b>	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? (NTSB) Previous Question B.10 Yes = 1 No = 0	1	1
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## SLR Notes:

BPU typically reviews LDC records of previous gas incidents/ failures and possible 3rd party damages BPU inspection form GS-3 per 192.617 requirements.

## Compliance - 60105(a) States

<b>11</b>	Did the state adequately document sufficient information on probable violations? (Chapter 5.2) Previous Question B.14 Yes = 1 No = 0 Needs Improvement = .5	1	1
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## SLR Notes:

<b>12</b>	Does the state have written procedures to identify the steps to be taken from the discovery to the resolution of a probable violation as specified in the "Guidelines for State Participating in the Pipeline Safety Program"? (Chapter 5.1) Previous Question D(1).1 Yes = 1 No = 0 Needs Improvement = .5	1	1
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## SLR Notes:

<b>13</b>	Does the state have written procedures to notify an operator when a noncompliance is identified as specified in the "Guidelines for States Participating in the Pipeline Safety Program"? (Chapter 5.1(4)) Previous Question D(1).2 Yes = 1 No = 0 Needs Improvement = .5	1	1
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## SLR Notes:

<b>14</b>	Does the state have a written procedure for routinely reviewing the progress of compliance actions to prevent delays or breakdowns of the enforcement process, as required by the "Guidelines for States Participating in the Pipeline Safety Program"? (Chapter 5.1(5)) Previous Question D(1).3 Yes = 1 No = 0 Needs Improvement = .5	1	1
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## SLR Notes:

<b>15</b>	Has the State issued compliance actions for all probable violations discovered? (Note : PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation) Previous Question D(1).4 Yes = 1 No = 0	1	1
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SLR Notes:

Per 2010 Certification Attachment 5- BPU found 19 Probable violations and 3 carry over from previous years; 17 were corrected; BPU initiated 19 Compliance Actions in 2009

<b>16</b>	Did the state follow its written procedures for reviewing compliance actions and follow-up to determine that prompt corrective actions were taken by operators, within the time frames established by the procedures and compliance correspondence, as required by the "Guidelines for States Participating in the Pipeline Safety Program"? Previous Question D(1).5 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

<b>17</b>	If compliance could not be established by other means, did state pipeline safety program staff request formal action, such as a "Show Cause Hearing" to correct pipeline safety violations? (check each states enforcement procedures) Previous Question D(1).6 No = 0 Yes = 1	1	1
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SLR Notes:

<b>18</b>	Did the state adequately document the resolution of probable violations? (Chapter 5.1 (6)) Previous Question D(1).7 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

<b>19</b>	Were compliance actions sent to a company officer? (manager or board member if municipal/government system) (Chapter 5.1(4)) Previous Question D(1).8 Yes = .5 No = 0	.5	.5
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SLR Notes:

<b>20</b>	Did the compliance proceedings give reasonable due process to all parties? (check each states enforcement procedures) Previous Question D(1).9 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

## Compliance - 60106(a) States

<b>21</b>	Did the state use the current federal inspection form(s)? Previous Question D(2).1 Yes = 1 No = 0 Needs Improvement = .5	1	NA
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SLR Notes:

<b>22</b>	Are results adequately documented demonstrating inspection units were reviewed in accordance with state inspection plan? Previous Question D(2).2 Yes = 1 No = 0 Needs Improvement = .5	1	NA
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SLR Notes:

<b>23</b>	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.) Previous Question D(2).3 Yes = 1 No = 0 Needs Improvement = .5	1	NA
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SLR Notes:



<b>24</b>	Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? Previous Question D(2).4 Yes = 1 No = 0 Needs Improvement = .5	1	NA
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SLR Notes:

<b>25</b>	Did the state give written notice to PHMSA within 60 days of all probable violations found? Previous Question D(2).5 Yes = 1 No = 0 Needs Improvement = .5	1	NA
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SLR Notes:

<b>26</b>	Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? Previous Question D(2).6 Yes = 1 No = 0 Needs Improvement = .5	1	NA
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SLR Notes:

<b>27</b>	Part B: General Comments/Regional Observations Info Only = No Points	Info Only	Info Only
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SLR Notes:

NJ BPU Procedure Manual (date Rev 2010). Discussed suggested changes with BPU staff. BPU agreed to incorporate by end of Dec 2010 and after completion of 2011 Certification of document and revised PHMSA Guideline Manual in early 2011

Total points scored for this section: 24.5  
Total possible points for this section: 24.5



## PART C - Interstate Agent States

Points(MAX) Score

- |          |   |   |    |
|----------|---|---|----|
| <b>1</b> | Did the state use the current federal inspection form(s)? Previous Question D(3).1<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

SLR Notes:

- |          |  |   |    |
|----------|--|---|----|
| <b>2</b> | Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? Previous Question D(3).2<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

SLR Notes:

- |          |  |   |    |
|----------|--|---|----|
| <b>3</b> | Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? Previous Question D(3).3<br>Yes = 1 No = 0 | 1 | NA |
|----------|--|---|----|

SLR Notes:

- |          |   |   |    |
|----------|---|---|----|
| <b>4</b> | 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.) Previous Question D(3).4<br>Yes = 1 No = 0 | 1 | NA |
|----------|---|---|----|

SLR Notes:

- |          |  |   |    |
|----------|--|---|----|
| <b>5</b> | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? Previous Question D(3).5<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

SLR Notes:

- |          |  |   |    |
|----------|--|---|----|
| <b>6</b> | Did the state give written notice to PHMSA within 60 days of all probable violations found? Previous Question D(3).6<br>Yes = 1 No = 0 | 1 | NA |
|----------|--|---|----|

SLR Notes:

- |          |  |   |    |
|----------|--|---|----|
| <b>7</b> | Did the state initially submit documentation to support compliance action by PHMSA on probable violations? Previous Question D(3).7<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

SLR Notes:

- |          |   |           |           |
|----------|---|-----------|-----------|
| <b>8</b> | Part C: General Comments/Regional Observations<br>Info Only = No Points | Info Only | Info Only |
|----------|---|-----------|-----------|

SLR Notes:

NJ BPU is intrastate gas program 60105(a)

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

## PART D - Incident Investigations

Points(MAX) Score

- |   |  |   |   |
|---|--|---|---|
| 1 | Are state personnel following the procedures for Federal/State cooperation in case of an incident? (See Appendix in "Guidelines for States Participating in the Pipeline Safety Program") (Chapter 6.1) Previous Question E.1<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

SLR Notes:

- |   |   |    |    |
|---|---|----|----|
| 2 | Are state personnel familiar with the jurisdictional authority and Memorandum of Understanding between NTSB and PHMSA? (See Appendix in "Guidelines for States Participating in the Pipeline Safety Program") (Chapter 6 ? Appendix D) Previous Question E.2<br>Yes = .5 No = 0 | .5 | .5 |
|---|---|----|----|

SLR Notes:

- |   |  |   |   |
|---|--|---|---|
| 3 | Did the state keep adequate records of incident notifications received? Previous Question E.3<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

SLR Notes:

- |   |  |   |   |
|---|--|---|---|
| 4 | If an onsite investigation of an incident was not made, did the state obtain sufficient information by other means to determine the facts and support the decision not to go on-site? Previous Question E.4<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

SLR Notes:

BPU typically check by phone call and e-mail for determination of baic facts etc.

- |    |   |                                      |                          |
|----|---|--------------------------------------|--------------------------|
| 5  | Were investigations thorough and conclusions and recommendations documented in an acceptable manner? Previous Question E.5, comprehensive question worth 2 points total<br>Yes = 2 No = 0 Needs Improvement = 1 | 2                                    | 2                        |
| a. | Observations and Document Review  | Yes <input checked="" type="radio"/> | No <input type="radio"/> |
| b. | Contributing Factors  | Yes <input checked="" type="radio"/> | No <input type="radio"/> |
| c. | Recommendations to prevent recurrences where appropriate  | Yes <input checked="" type="radio"/> | No <input type="radio"/> |

SLR Notes:

Discussed NJNG Incident of Feb 13, 2009. Damage to 20-in pipeline from hammer drill for environmental monitoring wells. BPU will continue to monitor this pipeline location.

- |   |   |   |   |
|---|---|---|---|
| 6 | Did the state initiate enforcement action for violations found during any incident investigation(s)? Previous Question E.6 Variation<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

SLR Notes:

- |   |  |    |     |
|---|--|----|-----|
| 7 | 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 annual report data from operators concerning incidents/accidents and investigate discrepancies) (Chapter 6) Previous Question E.7/E.8<br>Yes = .5 No = 0 | .5 | 0.5 |
|---|--|----|-----|

SLR Notes:

- |   |   |           |           |
|---|---|-----------|-----------|
| 8 | Part D: General Comments/Regional Observations<br>Info Only = No Points | Info Only | Info Only |
|---|---|-----------|-----------|

SLR Notes:

Discussed with BPU - PHMSA's need for Accurate, Complete and consistent data. BPU reviews 30-Day incidnet report, Supplemental and Final Report, as necessary

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Total points scored for this section: 7  
Total possible points for this section: 7



## PART E - Damage Prevention Initiatives

Points(MAX) Score

- |          |  |   |   |
|----------|--|---|---|
| <b>1</b> | 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? Previous Question B.11<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

### SLR Notes:

BPU reviews HDD Procedures with LDCs. NJ Admin Code (NJAC) Ch 7- 14:47-1.25 covers Directional Drilling Operations; Excavator Guidelines

- |          |  |   |   |
|----------|--|---|---|
| <b>2</b> | 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? New 2008<br>Yes = 2 No = 0 | 2 | 2 |
|----------|--|---|---|

### SLR Notes:

NJ One Call requirements- BPU checks as part of construction inspection activities and verify One Call related information notification of excavation, marking, positive response and the availability and use of the one call system.

- |          |   |   |   |
|----------|---|---|---|
| <b>3</b> | Did the state encourage and promote the adoption of the Common Ground Alliance Best Practices document to its regulated companies as a means of reducing damages to all underground facilities? Previous Question A.7<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

### SLR Notes:

BPU actively participate in NJ CGA quarterly mtgs- Discuss "Best Practices" with various stakeholders.

- |          |   |   |   |
|----------|---|---|---|
| <b>4</b> | 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? New 2008<br>Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

### SLR Notes:

NJ continues to collect damage data to underground gas facilities and performs evaluation. NJ One call review indicate downward trend in reported damages (21%), Marked facility Damages (16%), Unmarked facility damages (27%).

Based on per 1000 ticket request data: in 2006 thru 2009- Gas damages of 4.65/1000 ticket requests to 3.26 in 2009; Also Gas No Marks show reduction 1.94 to 1.28 for same period.

- |          |  |   |   |
|----------|--|---|---|
| <b>5</b> | Did the state review operators' records of accidents and failures due to excavation damage to ensure causes of failure are addressed to minimize the possibility of recurrence as required by 192.617?<br>Yes = 2 No = 0 | 2 | 2 |
|----------|--|---|---|

### SLR Notes:

BPU performs review as part of scheduled inspections

- |          |   |           |           |
|----------|---|-----------|-----------|
| <b>6</b> | Part E: General Comments/Regional Observations<br>Info Only = No Points | Info Only | Info Only |
|----------|---|-----------|-----------|

### SLR Notes:

Positive Response- New contact with One Call vendor- Pilot Automation for Positive Response expected to start in October 2010.

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

## PART F - Field Inspection

Points(MAX)    Score

<b>1</b>	Operator, Inspector, Location, Date and PHMSA Representative Info Only = No Points  Name of Operator Inspected: Public Service Electric & Gas (PSE&G)  Name of State Inspector(s) Observed: J. Grillo; E Lihan and J Prieto  Location of Inspection: Morris Township;  Date of Inspection: 09/23/2010  Name of PHMSA Representative:	Info Only	Info Only
----------	---	-----------	-----------

### SLR Notes:

Bare steel main Replacement, critical valves-and Pressure Reg Sta maintenance inspection of PSE&G

<b>2</b>	Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? New 2008 Yes = 1 No = 0	1	1
----------	---	---	---

### SLR Notes:

PSC Reps were at these locations- Replacement of bare steel main, Critical Valve and Pressure Reg Sta Maintenance in Morris Township, NJ

<b>3</b>	Did the inspector use an acceptable inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) Previous Question F.2 Yes = 2 No = 0	2	2
----------	--	---	---

### SLR Notes:

BPU isneptors used applicable State Check Lists and federal inspection forms

<b>4</b>	Did the inspector thoroughly document results of the inspection? Previous Question F.3 Yes = 2 No = 0	2	2
----------	--	---	---

### SLR Notes:

BPU e-mailed to me on 10-1-2010 "Completed Scanned copies of inspection check lists.

<b>5</b>	Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps, pyrometer, soap spray, CGI, etc.) New 2008 Yes = 1 No = 0	1	1
----------	---	---	---

### SLR Notes:

BPU inspector has pipe fusor verify heating iron surface temp with a digital contact thermometer. PSE&G has also necessary maps and related documents at field locations

<b>6</b>	What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc) New 2008 Info Only = No Points	Info Only	Info Only
----------	--	-----------	-----------

### SLR Notes:

Construction- Bare steel 6-in main replacement; Critical valves and Pressure Reg Sta maintenance.

<b>7</b>	Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) New 2008, comprehensive question worth 2 points total Yes = 2 No = 0 Needs Improvement = 1	2	2
	a. Procedures	<input checked="" type="checkbox"/>	
	b. Records	<input checked="" type="checkbox"/>	
	c. Field Activities/Facilities	<input checked="" type="checkbox"/>	
	d. Other (Please Comment)	<input type="checkbox"/>	

### SLR Notes:

- |          |   |   |   |
|----------|---|---|---|
| <b>8</b> | Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Liaison will document reasons if unacceptable) Previous Question F.8 | 2 | 2 |
|          | Yes = 2 No = 0  |   |   |

## SLR Notes:

BPU inspectors J Grillo, J Prieto and Ed Lihan are very experienced and knowledgeable and have completed T&Q training.

- |          |  |   |   |
|----------|--|---|---|
| <b>9</b> | 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) Previous Question F.10 | 1 | 1 |
|          | Yes = 1 No = 0   |   |   |

## SLR Notes:

- |           |  |   |    |
|-----------|--|---|----|
| <b>10</b> | During the exit interview, did the inspector identify probable violations found during the inspections? Previous Question F.11 | 1 | NA |
|           | Yes = 1 No = 0   |   |    |

## SLR Notes:

No issues or concerns were found.

- |           |  |           |           |
|-----------|--|-----------|-----------|
| <b>11</b> | What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) | Info Only | Info Only |
|           | Info Only = No Points  |           |           |

## SLR Notes:

Inspector: J. Grillo

Operator: PSE&G

Location: Wippany Road, Morristownship, NJ

PSE&G crew was in process of replacing exist 6-inch bare steel main with 6-inch HDPE, SDR 17, ASTM D 2513, PE 34-8/ PE 4710. He observed line locate marks, pipe storage on elevated roller supports and wood blocks. He checked fusor qualifications and surface temp of heating iron. He also checked trench depth and quality of backfill.

Critical valves:

Inspector: E Lihan

Location: Blackberry and Laura Manes, Morristownship

Ed observed PSE&G crew perform critical valve maintenance of Valve V # V2205, size 16 inch. PSE&G checked for gas presence using gas detection instrumentation and checked pressure on both sides of valve

Morris Pressure Reg Station:

Location: 10 Laura lane, Morris

Inspector: J Prieto

John observed routine maintenance and performed brief tour of facility and reviewed selected maintenance records. Algonquin (Spectra Energy) provide gas at 650 psi. PSE&G will trim protruding tree branches along fence.

- |           |   |           |           |
|-----------|---|-----------|-----------|
| <b>12</b> | Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) | Info Only | Info Only |
|           | Info Only = No Points   |           |           |

## SLR Notes:

- |           |   |                          |           |
|-----------|---|--------------------------|-----------|
| <b>13</b> | Field Observation Areas Observed (check all that apply) | Info Only                | Info Only |
|           | Info Only = No Points                                   |                          |           |
|           | a. Abandonment  | <input type="checkbox"/> |           |
|           | b. Abnormal Operations                                  | <input 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 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 checked="" type="checkbox"/> |
| w. | Plastic Pipe Installation         | <input checked="" 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 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 type="checkbox"/>            |

SLR Notes:

---

**14** Part F: General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

No issues or concerns were found.

---

Total points scored for this section: 11  
Total possible points for this section: 11



## PART G - PHMSA Initiatives - Strategic Plan

Points(MAX) Score

### Risk base Inspections - Targeting High Risk Areas

- |          |   |     |     |
|----------|---|-----|-----|
| <b>1</b> | Does state have process to identify high risk inspection units?<br>Yes = 1.5 No = 0 | 1.5 | 1.5 |
|----------|---|-----|-----|

Risk Factors (criteria) to consider may include:

Miles of HCA's, Geographic area, Population Density

Length of time since last inspection

History of Individual Operator units (leakage, incident and compliance history, etc.)

Threats - (Excavation Damage, Corrosion, Natural Forces, Other Outside Forces, Material or Welds, Equipment, Operations, Other)

#### SLR Notes:

BPU Procedures Manual- Section 4C. BPU reviews Distribution transmission pipelines subject to IMP Rules, leak response data submitted by various LDCs. NJ requires high pressure meter set location damage protection from vehicular traffic.

- |          |  |    |     |
|----------|--|----|-----|
| <b>2</b> | Are inspection units broken down appropriately? (see definitions in Guidelines)<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

#### SLR Notes:

BPU unit breakdown follows Procedures Guidelines.

- |          |  |           |           |
|----------|--|-----------|-----------|
| <b>3</b> | Consideration of operators DIMP Plan? (if available and pending rulemaking)<br>Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

#### SLR Notes:

BPU has on-going effort to work with LDCs and follow DIMP implementation progress.

- |          |  |    |     |
|----------|--|----|-----|
| <b>4</b> | Does state inspection process target high risk areas?<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

#### SLR Notes:

BPU considers multiple items in inspection activities: BPU Procedures Section 4C; 4C(2)-- Cast iron and Bare Steel replacement, U/G Fuel atnk removal/ replacement considerations to minimize damage to exist gas pipeline facilities; high pressure meter set protection from vehicles; Active support and participation of One Call GIS maps with multi-layered information

### Use of Data to Help Drive Program Priority and Inspections

- |          |  |    |     |
|----------|--|----|-----|
| <b>5</b> | Does state use data to analyze effectiveness of damage prevention efforts in the state? (DIRT or other data, etc)<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

#### SLR Notes:

BPU Pipeline Safety and One Call reviews damage data for determination of effectiveness of damage prevention efforts.

- |          |   |    |     |
|----------|---|----|-----|
| <b>6</b> | Has state reviewed data on Operator Annual reports for accuracy?<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

#### SLR Notes:

BPU receives and reviews all LDC Annual Reports

- |          |  |    |     |
|----------|--|----|-----|
| <b>7</b> | Has state analyzed annual report data for trends and operator issues?<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

#### SLR Notes:

BPU receives and analyzes LDCs Annual Leak Reports and Quarterly Leak Responses. In addition, LDCs also submit cast iron number of breaks Performance data to BPU.

- |          |   |    |     |
|----------|---|----|-----|
| <b>8</b> | Has state reviewed data on Incident/Accident reports for accuracy?<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

#### SLR Notes:

BPU performs Incident Reports for accuracy and current information.

<b>9</b>	Does state do evaluation of effectiveness of program based on data? (i.e. performance measures, trends, etc.)	.5	0.5
	Yes = .5 No = 0		

**SLR Notes:**

BPU receives reviews and LDCs Performance measures Data. Four LDCs- Elizabethtown Gas, PSE&G, NJNG and SJG meet on a quarterly basis.

<b>10</b>	Did the State input all operator qualification inspection results into web based database provided by PHMSA in a timely manner upon completion of OQ inspections? Previous Question B.15	.5	0.5
	Yes = .5 No = 0		

**SLR Notes:**

For 2009- BPU performed 3 OQ Plan reviews and 34 field verification inspections. Emphasized and clarified issue of Plan/ Procedures review. Per PHMSA Guideline Manual "Inspection Time " requires activities away from BPU office and LDC facilities. Also emphasized need for use of OQ Protocols to document inspection observations in OQDB.

<b>11</b>	Did the State submit their replies into the Integrity Management Database (IMDB) in response to the Operators notifications for their integrity management program? Previous Question B.16	.5	0.5
	Yes = .5 No = 0		

**SLR Notes:**

In 2007- several interstate pipeline operators had submitted notifications in Gas IMP database. In 2010 Spectra Energy an interstate gas transmission operator submitted notifications in Gas IMP database.

<b>12</b>	Have the IMP Federal Protocol forms been uploaded to the IMDB? Previous Question B.17	.5	0.5
	Yes = .5 No = 0		

**SLR Notes:**

BPU informed me of completion of upload of IMP inspection.

<b>13</b>	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? Previous Question B.18	.5	0.5
	Yes = .5 No = 0		

**SLR Notes:**

NJ operators have provided information. In addition, LDCs are required to notify BPU of any defects.

<b>14</b>	Has state confirmed transmission operators have submitted information into National Pipeline Mapping System (NPMS) database along with any changes made after original submission?	.5	0.5
	Yes = .5 No = 0		

**SLR Notes:**

BPU indicated that NJ LDCs have submitted data into NPMS.

## Accident/Incident Investigation Learning and Sharing Lessons Learned

<b>15</b>	Has state shared lessons learned from incidents/accidents? (i.e. NAPSIR meetings and communications)	.5	0.5
	Yes = .5 No = 0		

**SLR Notes:**

BPU shared NJ incident information at NAPSIR ER Mtg at Essex Junction, VT. Also shared data at NJGDO Quarterly mtgs

<b>16</b>	Does the State support data gathering efforts concerning accidents? (Frequency/Consequence/etc)	.5	0.5
	Yes = .5 No = 0		

**SLR Notes:**

BPU works closely with ER/ PHMSA and NAPSIR.

<b>17</b>	Does state have incident/accident criteria for conducting root cause analysis?	Info Only	Info Only
	Info Only = No Points		

**SLR Notes:**

**18** Does state conduct root cause analysis on incidents/accidents in state?

Info Only Info Only

Info Only = No Points

SLR Notes:

---

**19** Has state participated on root cause analysis training? (can also be on wait list)

.5

0.5

Yes = .5 No = 0

SLR Notes:

BPU Ed Lihan in Sept 2010; J Grillo scheduled for June 2011.

---

## Transparency - Communication with Stakeholders

**20** Other than pipeline safety seminar does State communicate with stakeholders? (Communicate program data, pub awareness, etc.)

.5

0.5

Yes = .5 No = 0

SLR Notes:

LDC Quarterly Mtgs; NJ CGA Mtgs; One Call Training Seminars

---

**21** Does state share enforcement data with public? (Website, newsletters, docket access, etc.)

.5

0.5

Yes = .5 No = 0

SLR Notes:

1 Public can formally request thru State FOIA Rules. BPU also provides access to dockets via website and BPU agenda open to public

---

**22** Part G: General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

NJ BPU Procedure Manual (date Rev 2010). Discussed suggested changes with BPU staff. BPU agreed to incorporate by end of Dec 2010 and after completion of 2011 Certification of document and revised PHMSA Guideline Manual in early 2011.

---

Total points scored for this section: 10

Total possible points for this section: 10



## PART H - Miscellaneous

Points(MAX) Score

- |          |   |    |     |
|----------|---|----|-----|
| <b>1</b> | What were the major accomplishments for the year being evaluated? (Describe the accomplishments, NAPSR Activities and Participation, etc.)<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

### SLR Notes:

1. NJ Accelerated Infrastructure Replacement Stimulus Plan will increase replacement of cast iron and bare steel pipes 2009 thru 2011.
2. One CII 811 logo placed at LNG tank along NJ turnpike near exit 16

- |          |  |    |     |
|----------|--|----|-----|
| <b>2</b> | What legislative or program initiatives are taking place/planned in the state, past, present, and future? (Describe initiatives (i.e. damage prevention, jurisdiction/authority, compliance/administrative, etc.)<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

### SLR Notes:

Since 2007, NJ BPU has been working on revisions and re adoption of Ch 7 Gas Pipeline Regulations in NJ Admin Code). Final approval was completed on Aug 19, 2009

- |          |  |    |     |
|----------|--|----|-----|
| <b>3</b> | Any Risk Reduction Accomplishments/Projects? (i.e. Cast iron replacement projects, bare steel, third-party damage reductions, etc.)<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

### SLR Notes:

NJ BPU One Call damage data- review and analysis  
BPU Accelerated Replacement of bare steel and cast iron pipe.

- |          |  |   |   |
|----------|--|---|---|
| <b>4</b> | Did the state participate in/respond to surveys or information requests from NAPSR or PHMSA?<br>Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

### SLR Notes:

BPU has participated in NAPSR survey requests

- |          |   |    |     |
|----------|---|----|-----|
| <b>5</b> | Sharing Best Practices with Other States - (General Program)<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

### SLR Notes:

NJ BPU shared Gas safety program highlights at NAPSR meeting in Jul 2009.

- |          |   |           |           |
|----------|---|-----------|-----------|
| <b>6</b> | Part H: General Comments/Regional Observations<br>Info Only = No Points | Info Only | Info Only |
|----------|---|-----------|-----------|

### SLR Notes:

Total points scored for this section: 3  
Total possible points for this section: 3

## PART I - Program Initiatives

Points(MAX) Score

### Drug and Alcohol Testing (49 CFR Part 199)

- |          |   |   |   |
|----------|---|---|---|
| <b>1</b> | Has the state verified that operators have drug and alcohol testing programs?<br>Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

Drug & Alcohol inspections in Oct 2009. NJNG D&A Control Program

- |          |  |    |     |
|----------|--|----|-----|
| <b>2</b> | Is the state verifying that operators are conducting the drug and alcohol tests required by the operators program (random, post-incident, etc.)<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

Drug & Alcohol inspection of NJNG in Oct 2009

- |          |   |    |     |
|----------|---|----|-----|
| <b>3</b> | Is the state verifying that any positive tests are responded to in accordance with the operator's program?<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

SLR Notes:

Drug & Alcohol inspection of NJNG in Oct 2009

### Qualification of Pipeline Personnel (49 CFR Part 192 Subpart N)

- |          |   |   |   |
|----------|---|---|---|
| <b>4</b> | Has the state verified that operators have a written qualification program?<br>Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

BPU conducted 3 OQ Plan and 34 field verification inspection in 2009

- |          |  |    |     |
|----------|--|----|-----|
| <b>5</b> | Has the state reviewed operator qualification programs for compliance with PHMSA rules and protocols?<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

BPU conducted 3 OQ Plan and 34 field verification inspection in 2009

- |          |  |    |     |
|----------|--|----|-----|
| <b>6</b> | Is the state verifying that persons who perform covered tasks for the operator are qualified in accordance with the operator's program?<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

BPU conducted 34 field verification inspection in 2009

- |          |  |    |     |
|----------|--|----|-----|
| <b>7</b> | Is the state verifying that persons who perform covered task for the operator are requalified at the intervals specified in the operator's program?<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

BPU conducted 34 field verification inspection in 2009

### Gas Transmission Pipeline Integrity Management (49 CFR Part 192 Subpart O)

- |          |  |   |   |
|----------|--|---|---|
| <b>8</b> | Has the state verified that all operators with transmission pipelines have either adopted an integrity management program (IMP), or have properly determined that one is not required?<br>Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

SLR Notes:

BPU conducted LDC IMP field inspection using IMP Protocols. NJNG- April 30, 2009

- |          |  |    |     |
|----------|--|----|-----|
| <b>9</b> | Has the state verified that in determining whether a plan is required, the operator correctly calculated the potential impact radii and properly applied the definition of a high consequence area?<br>Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

BPU conducted gas transmission IMP inspection- reviewed HCA determination.

<b>10</b>	Has the state reviewed operator IMPs for compliance with Subpart O? (In accordance with State Inspection plan) Yes = .5 No = 0	.5	0.5
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SLR Notes:

BPU conducted IMP inspection in 2009

<b>11</b>	Is the state monitoring operator progress on the inspections, tests and remedial actions required by the operator's IMP, including that they are being done in the manner and schedule called for in its IMP? Yes = .5 No = 0	.5	0.5
-----------	--	----	-----

SLR Notes:

BPU conducted IMP inspection in 2009.

<b>12</b>	Is the state verifying that operators are periodically examining their transmission line routes for the appearance of new HCAs? Yes = .5 No = 0	.5	0.5
-----------	--	----	-----

SLR Notes:

BPU conducted IMP inspection in 2009.

## Public Awareness (49 CFR Section 192.616)

<b>13</b>	Has the state verified that each operator has developed a continuing public awareness program? (due date was 6/20/06 for most operators, 6/20/07 for certain very small operators, 6/13/08 for master meters) Yes = .5 No = 0	.5	0.5
-----------	--	----	-----

SLR Notes:

BPU conducted Public Awareness Program review of PSE&G.

<b>14</b>	Has the state reviewed the content of these programs for compliance with 192.616 (by participating in the Clearinghouse or by other means)? Yes = .5 No = 0	.5	0.5
-----------	--	----	-----

SLR Notes:

BPU conducted Public Awareness Program review of PSE&G.

<b>15</b>	Is the state verifying that operators are conducting the public awareness activities called for in its program? Yes = .5 No = 0	.5	0.5
-----------	--	----	-----

SLR Notes:

BPU conducted Public Awareness Program review of PSE&G.

<b>16</b>	Is the state verifying that operators have evaluated their Public Awareness programs for effectiveness as described in RP1162? Info Only = No Points	Info Only	Info Only
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SLR Notes:

BPU conducted Public Awareness Program review of PSE&G.

<b>17</b>	Part I: General Comments/Regional Observations Info Only = No Points	Info Only	Info Only
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SLR Notes:

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