



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

1200 New Jersey Avenue SE  
Washington DC 20590

# 2011 Natural Gas State Program Evaluation

for

NEW JERSEY BOARD OF PUBLIC UTILITIES

## 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)



2011 Natural Gas State Program Evaluation -- CY 2011  
Natural Gas

**State Agency:** New Jersey

**Agency Status:**

**Date of Visit:** 09/17/2012 - 09/21/2012

**Agency Representative:** Michael Stonack

**PHMSA Representative:** Dinubhai (Dino) N. Rathod

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

**Name/Title:** Robert M. Hanna, President

**Agency:** New Jersey Board Public Utilities

**Address:** 44 South Clinton Avenue, 9th Floor P.O. Box 350

**City/State/Zip:** Trenton, New Jersey 08625-0350

**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 2011 (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.

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**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.

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**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                    13.5  
43                    43  
14                    14  
3                     3  
8                     8  
11                    11  
0                     0  
0                     0

**TOTALS**

**103                      100.5**

**State Rating .....**

**97.6**

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## 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)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

Verified accuracy of Jurisdictional Authority and Operator/Inspection Units Data in Attach. 1

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

Evaluator Notes:

Verified Inspection Days for accuracy in Attach. 2

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

Evaluator Notes:

Verified accuracy of Operators and Operators Inspection Units Attach. 3

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

Evaluator Notes:

NA. No Reportable incidents in CY 2011

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

Evaluator Notes:

NJ BPU reported 5 Probable Violations in CY 2011

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

Evaluator Notes:

NJ BPU currently maintains a combination of hard copies and limited electronic data capabilities. BPU initiated an enhanced electronic database rollout in preliminary stage after many years of delays. BPU expects to implement fully operational database capability by end of CY 2012

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

Evaluator Notes:

Verified employee listing and completed training for accuracy and completeness.

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

Evaluator Notes:

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

Evaluator Notes:

BPU listed several accomplishments in Attachmnet 10.

1. NJ BPU approved a second round of Accelerated Infrastructure Projects (AIP) totaling \$238 million thru Oct 31, 2012.
2. Replaced 76 miles and 128 miles of bare steel mains; 18,650 services
3. NJ was awarded \$42,979 One Call funds
4. 811 Logos were installed on LNG tanks along NJTPK in northern NJ
5. NJ applied for and received \$100,000 State Damage Prevention grant (SDP) for purchase of GPS enabled devices to be used by excavation contractors.

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10 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

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



## PART B - Program Inspection Procedures

Points(MAX)    Score

- |          |  |   |   |
|----------|--|---|---|
| <b>1</b> | Standard Inspections (B1a)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
|----------|--|---|---|

Evaluator Notes:

Standard Inspection - Sections 3&4. Discussed a need to revise NJ BPU's Inspection Procedures. BPU will review and revise to reflect PHMSA's Guideline manual Glossary and Chapter 5, Para 5.1 related to Standard inspections. In addition, BPU maintain all pertinent supporting inspection records.

- |          |   |   |   |
|----------|---|---|---|
| <b>2</b> | IMP Inspections (including DIMP) (B1b)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

NJ Standard Operating Procedures- Sections 4E & 4F

- |          |   |   |   |
|----------|---|---|---|
| <b>3</b> | OQ Inspections (B1c)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

NJ Standard Operating Procedures- Section 3B

- |          |  |   |   |
|----------|--|---|---|
| <b>4</b> | Damage Prevention Inspections (B1d)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

NJ Standard Operating Procedures- Section 3B

- |          |  |   |     |
|----------|--|---|-----|
| <b>5</b> | On-Site Operator Training (B1e)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|----------|--|---|-----|

Evaluator Notes:

discussed with BPU need for revising BPU's Standard Operating Procedures- BPU will review and revise On\_Site Training description

- |          |   |   |   |
|----------|---|---|---|
| <b>6</b> | Construction Inspections (B1f)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

NJ Standard Operating Procedures- Sections 3 & 4B(1)

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

Evaluator Notes:

NJ Standard Operating Procedures- Section 12

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

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

f. Are inspection units broken down appropriately?

Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

NJ Standard Operating Procedures- Sections 4 & 2 including List 2L

**9** General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

NJ BPU will review and revise NJ Standard Operating Procedures- various Sections to reflect PHMSA's Guideline Manual (Dec 2011) or current version

Total points scored for this section: 13.5  
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):  
379.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
220 X 3.25 = 715.00

Ratio: A / B  
379.00 / 715.00 = 0.53

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

Evaluator Notes:

Verified Total Inspection Person days and Total Inspection person days charged to program.

- 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:

Two new inspectors signed up for PL1250 in 2012. Mike Stonack completed ILI T&Q course in Aug 2012.

- 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:

Mike Stonack has gained extensive pipeline safety regulatory and industry experience. He has completed necesasry T&Q courses. He works closely with PHMSA and provides guidance to pipeline safety inspectors.

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

Evaluator Notes:

NJ BPU responded Jan 13, 2012. NJBPU has accelerated infrastructure repalcement initiative thru 2012 and may extend into CY 2013. NJ repalced 79 miles of CI and 71 miles of bare steel (unprotected) mains.

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

Evaluator Notes:

NJ BPU hosted T&Q seminar in Oct 2010. BPU has requested a next seminar for OCt 2013.

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

Evaluator Notes:

BPU inspected in accordance with Inspection Procedures Annual Section 4B.

|   |   |   |   |
|---|---|---|---|
| 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Currently BPU used paper copies of State Inspection Check Lists covering federal code requirements. BPU has initiated an effort to develop electronic forms capability. BPU expects to have effort concluded by end of 2012 and ready for use in CY 2013.

|   |  |   |   |
|---|--|---|---|
| 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)<br>Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

BPU checks this item using inspection form

|   |   |   |   |
|---|---|---|---|
| 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)<br>Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

BPU checks this item using inspection form

|    |  |   |   |
|----|--|---|---|
| 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)<br>Yes = 1 No = 0 | 1 | 1 |
|----|--|---|---|

Evaluator Notes:

BPU checks this item using inspection form

|    |   |   |   |
|----|---|---|---|
| 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)<br>Yes = 1 No = 0 | 1 | 1 |
|----|---|---|---|

Evaluator Notes:

BPU staff reviewed LDC records. Operators are required to submit monthly 3rd party damage reports and quarterly Leak Response Reports.

|    |   |   |   |
|----|---|---|---|
| 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----|---|---|---|

Evaluator Notes:

BPU reviews Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----|--|---|---|

Evaluator Notes:

BPU has uploaded all applicable OQ, IMP inspection results into federal database in a timely manner



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

Evaluator Notes:

BPU confirmed intrastate transmission operators have submitted information into NPMS database

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- |           |  |   |   |
|-----------|--|---|---|
| <b>15</b> | 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

BPU Form GS 40/199 Section 4 B(3) D&A inspections on 3-yr basis

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- |           |  |   |   |
|-----------|--|---|---|
| <b>16</b> | 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

OQ Comprehensive Inspection performed on 3-yr basis- Section 4B(3)

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- |           |  |   |   |
|-----------|--|---|---|
| <b>17</b> | 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

IMP Programs reviewed on yearly basis. BPU performs Progress on Operator Baseline /Assessment, resulting remedial actions

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- |           |   |           |           |
|-----------|---|-----------|-----------|
| <b>18</b> | Is state verifying operator's gas distribution integrity management Programs (DIMP)? 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<br>Info Only = No Points | Info Only | Info Only |
|-----------|---|-----------|-----------|

Evaluator Notes:

BPU has already initiated DIMP Plan implementation review.

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- |           |   |   |   |
|-----------|---|---|---|
| <b>19</b> | 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

BPU performed verification of Public Awareness programs

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- |           |   |   |   |
|-----------|---|---|---|
| <b>20</b> | 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)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

NJ BPU places Docketed Matters/ Hearings etc on website.

<http://www.state.nj.us/bpu/agenda/hearings>

Example: February 2012 Docket G011118025 PSE&G 2010

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- |           |  |   |    |
|-----------|--|---|----|
| <b>21</b> | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (B6)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|--|---|----|

Evaluator Notes:

NO Safety Related Condition Reports (SRCR) in CY 2011

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- |           |   |   |   |
|-----------|---|---|---|
| <b>22</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? (G13)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

BPU conducted inquiries. No known plastic pipe/ components defects or leaks identified CY 2011

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- |           |   |   |   |
|-----------|---|---|---|
| <b>23</b> | Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA? (H4)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

NJ BPU responded/ participated in NAPSRS surveys and PHMSA information requests Example: More stringent NJ regulations than federal code requirements

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- |           |  |                    |  |
|-----------|--|--------------------|--|
| <b>24</b> | General Comments:<br>Info Only = No Points | Info OnlyInfo Only |  |
|-----------|--|--------------------|--|

Evaluator Notes:

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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) 4 4  
Yes = 4 No = 0 Needs Improvement = 1-3
- a. Procedures to notify an operator (company officer) when a noncompliance is identified Yes ☒ No ☐ Needs Improvement ☐
- b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

NJ Standard Operating Procedures (BPU's Inspections Procedures Manual)- Section 8, Para 8B

- 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) 4 4  
Yes = 4 No = 0 Needs Improvement = 1-3
- a. Were compliance actions sent to company officer or manager/board member if municipal/government system? Yes ☐ No ☐ Needs Improvement ☐

Evaluator Notes:

NJ Standard Operating Procedures (BPU's Inspections Procedures Manual)- Section 8, Para 8C

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

Evaluator Notes:

NJ Standard Operating Procedures (BPU's Inspections Procedures Manual)- Section 8, Para 8B

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

Evaluator Notes:

CY 2011 BPU discovered 14 Probable Violations and 12 were corrected at end of year.

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

Evaluator Notes:

NJ BPU has developed a Spreadsheet to track Probable Violations and Repeat Violations including those result in incidents. BPU keeps track of Civil Penalties and Corrective Actions taken. BPU has strong record of imposing civil penalties.

- 6 Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations? (new question) Info Only Info Only  
Info Only = No Points

Evaluator Notes:

BPU keeps track of Civil Penalties and Corrective Actions taken. BPU has strong record of imposing civil penalties.

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

Evaluator Notes:

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

## PART E - Incident Investigations

Points(MAX) Score

- |          |   |                                      |  |
|----------|---|--------------------------------------|--|
| <b>1</b> | 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)<br>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:

- |          |   |   |    |
|----------|---|---|----|
| <b>2</b> | 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)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

No Reportable incidents in CY 2011. However BPU does seek out additional information to help sort out possible gas incident

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

Evaluator Notes:

No Reportable incident in CY 2011.

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

Evaluator Notes:

- |          |  |   |    |
|----------|--|---|----|
| <b>5</b> | 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)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

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

Evaluator Notes:

BPU shared such information at NASPR ER Mtg in Shepardstown in June 2011

- |          |  |           |           |
|----------|--|-----------|-----------|
| <b>7</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:

No Reportable Gas incidents in CY 2011

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



## 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

- 
- |   |  |   |   |
|---|--|---|---|
| 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

BPU reviews Operators Damage Prevention Procedures including One Call notifications for excavation, marking and positive response

- 
- |   |   |   |   |
|---|---|---|---|
| 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

- 1 BPU staff participates in NJ Common Ground Alliance and closely works with operators
- 2 BPU applied for and received \$42,979 for One Call Damage Prevention Grant to analyze gas damage statistics for Cy 2011.
3. 811 Logo installed at LNG tanks along NJTPK
- 4 In Cy 2011 BPU received \$100,000 State Damage Prevention Grant to help define Excavation Areas more specifically, thus help reduce amount of time needed to perform markout for each ticket

- 
- |   |  |   |   |
|---|--|---|---|
| 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

BPU One Call is active in damage prevention initiatives. GAs Safety staff analyzes damage data for possible trends based on per 1000 tickets.

- 
- |   |  |           |           |
|---|--|-----------|-----------|
| 5 | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|

Evaluator Notes:

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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:

New Jersey Natural Gas

Name of State Inspector(s) Observed:

E Lihan; J Prieto; J Grillo and M Stonack

Location of Inspection:

Neptune City and Wall Township

Date of Inspection:

09/19/2012

Name of PHMSA Representative:

Dinubhai (Dino) N Rathod

Evaluator Notes:

Observed New construction 12-inch coated pipe main and DIMP implementation status update

- 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:

NJNG Rep(s) were present at job site in Neptune.

- 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:

BPU inspectors used appropriate check lists.

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

Evaluator Notes:

BPU inspectors completed inspection check lists for various field activities.

- 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:

BPU inspector checked to see that contractor crew had proper equipment

- 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 ☒

b. Records ☐

c. Field Activities ☒

d. Other (please comment) ☒

Evaluator Notes:

Construction - 10 inch steel main, coated

DIMP Plan Implementation Status Update and Follow-up issues

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

Evaluator Notes:

BPU inspectors have completed necessary T&Q training and many years of pipeline safety regulatory experience.

- |   |  |   |   |
|---|--|---|---|
| 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)<br>Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

BPU conducted Exit Interview (s)

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

Evaluator Notes:

No Probable Violations were found during field work observations

- |    |  |           |           |
|----|--|-----------|-----------|
| 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.<br>Info Only = No Points | Info Only | Info Only |
|----|--|-----------|-----------|

- |    |                                   |                                     |
|----|-----------------------------------|-------------------------------------|
| a. | Abandonment                       | <input checked="" 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 checked="" 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 type="checkbox"/>            |
| C. | Tapping                           | <input type="checkbox"/>            |
| D. | Valve Maintenance                 | <input type="checkbox"/>            |
| E. | Vault Maintenance                 | <input type="checkbox"/>            |



- |    |                             |                                     |
|----|-----------------------------|-------------------------------------|
| F. | Welding                     | <input checked="" 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"/>            |

Evaluator Notes:

- 1 Observed installation of 12-in new steel main -3200 ft replacement project as a result of Accelerated Infrastructure Improvement (AIP) initiative
2. DIMP Plan- Implementation Status Update/ Review

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



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

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

Evaluator Notes:

BPU is a 60105 Intrastate gas program

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

Evaluator Notes:

BPU is a 60105 Intrastate gas program

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

Evaluator Notes:

BPU is a 60105 Intrastate gas program

- |          |  |   |    |
|----------|--|---|----|
| <b>4</b> | 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)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

BPU is a 60105 Intrastate gas program

- |          |  |   |    |
|----------|--|---|----|
| <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? (C5)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

BPU is a 60105 Intrastate gas program

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

Evaluator Notes:

BPU is a 60105 Intrastate gas program

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

Evaluator Notes:

BPU is a 60105 Intrastate gas program

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

Evaluator Notes:

BPU is a 60105 Intrastate gas program

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

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

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

Evaluator Notes:

BPU is a 60105 Intrastate gas program

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

Evaluator Notes:

BPU is a 60105 Intrastate gas program

- |          |   |   |    |
|----------|---|---|----|
| <b>3</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.) (B23)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

BPU is a 60105 Intrastate gas program

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

Evaluator Notes:

BPU is a 60105 Intrastate gas program

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

Evaluator Notes:

BPU is a 60105 Intrastate gas program

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

Evaluator Notes:

BPU is a 60105 Intrastate gas program

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|----------|--|-----------|-----------|
| <b>7</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:

BPU is a 60105 Intrastate gas program

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