



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

1200 New Jersey Avenue SE
Washington DC 20590

2013 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)

2013 Natural Gas State Program Evaluation -- CY 2013
Natural Gas

State Agency: New Jersey
Agency Status:
Date of Visit: 05/06/2014 - 05/08/2014
Agency Representative: Michael Stonack, Bureau Chief
Pipeline Safety
PHMSA Representative: Jim Anderson
Commission Chairman to whom follow up letter is to be sent:
Name/Title: Dianne Solomon, President
Agency: New Jersey Board of Public Utilities
Address: 44 So. Clinton Ave., 7th Floor
City/State/Zip: Trenton, New Jersey 08625

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 2013 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

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

Scoring Summary

PARTS	Possible Points	Points Scored
A Progress Report and Program Documentation Review	10	10
B Program Inspection Procedures	15	15
C Program Performance	44	41
D Compliance Activities	15	15
E Incident Investigations	9	9
F Damage Prevention	8	8
G Field Inspections	11	11
H Interstate Agent State (If Applicable)	0	0
I 60106 Agreement State (If Applicable)	0	0
TOTALS	112	109
State Rating		97.3

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

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

2	Review of Inspection Days for accuracy - Progress Report Attachment 2 (A1b) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:
Yes - No Issues. NJ BPU created and implemented a database system to collect inspection data including inspection days. Very impressive.

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

4	Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 (A1d) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:
Yes - No Issues. Each incident report listed on Progress Report was also listed in Pipeline Data Mart.

5	Accuracy verification of Compliance Activities - Progress Report Attachment 5 (A1e) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:
Yes- No Issues. Reviewed database and reports for compliance activities.

6	Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 (A1f, A4) Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:
Yes. Improvement from last year due to new database program.

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

8	Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:
Yes. NJBPU rules have provisions for automatic adoption of federal regulations.

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

Evaluator Notes:

Yes - No Issues.

10 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

Total points scored for this section: 10
Total possible points for this section: 10

PART B - Program Inspection Procedures

Points(MAX) Score

1	Standard Inspections (B1a) Yes = 2 No = 0 Needs Improvement = 1	2	2	
Evaluator Notes: Yes. Uses the word comprehensive for standard. In Section 5.1, #6 of written inspection procedures.				
2	IMP Inspections (including DIMP) (B1b) Yes = 1 No = 0 Needs Improvement = .5	1	1	
Evaluator Notes: Yes. In Section 5.1, #6 of written inspection procedures.				
3	OQ Inspections (B1c) Yes = 1 No = 0 Needs Improvement = .5	1	1	
Evaluator Notes: Yes. In Section 5.1, #6 of written inspection procedures.				
4	Damage Prevention Inspections (B1d) Yes = 1 No = 0 Needs Improvement = .5	1	1	
Evaluator Notes: Yes. In Section 5.1, #15 of written inspection procedures.				
5	On-Site Operator Training (B1e) Yes = 1 No = 0 Needs Improvement = .5	1	1	
Evaluator Notes: Yes. In Section 5.1, #11 of written inspection procedures.				
6	Construction Inspections (B1f) Yes = 1 No = 0 Needs Improvement = .5	1	1	
Evaluator Notes: Yes. In Section 5.1, #6 and #8 of written inspection procedures.				
7	Incident/Accident Investigations (B1g) Yes = 2 No = 0 Needs Improvement = 1	2	2	
Evaluator Notes: Yes. In Section 5.1, #14 of written inspection procedures.				
8	Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? (B2a-d, G1,2,4) 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 <input checked="" type="radio"/>	No <input type="radio"/>	Needs Improvement <input type="radio"/>
f.	Are inspection units broken down appropriately?	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Needs Improvement <input type="radio"/>

Evaluator Notes:

Yes. In Section 5 under 5.1 of written inspection procedures.

9 General Comments:

Info Only = No Points

Info Only|Info Only

Evaluator Notes:

Total points scored for this section: 15
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):
 483.00
 B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 220 X 4.54 = 999.17
 Ratio: A / B
 483.00 / 999.17 = 0.48
 If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
 Points = 5

Evaluator Notes:

Yes. Ratio of .48 is greater than the .38 ratio needed.

- 2** Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines for requirements) Chapter 4.4 (A8-A11, G19) 5 2
 Yes = 5 No = 0 Needs Improvement = 1-4
- a. Completion of Required OQ Training before conducting inspection as lead? Yes No Needs Improvement
 - b. Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 Yes No Needs Improvement
 - c. Root Cause Training by at least one inspector/program manager Yes No Needs Improvement
 - d. Note any outside training completed Yes No Needs Improvement

Evaluator Notes:

Program manager has not completed all required training by December 31, 2013, program manager lacks the corrosion training course and not all inspectors have completed the IMP training courses. Restrictions on out-of-state travel delayed the training.

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

Evaluator Notes:

Yes.

- 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:

Yes. Letter send was dated August 9, 2013 and response was dated September 4, 2013.

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

Evaluator Notes:

Yes. Last TQ seminar was December 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:

Yes.

7	Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1 (B4-5) Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:

All applicable code requirements addressed on the Federal Inspection forms are contained in the 42 inspection forms that are part of the NJBPU inspection database and pipeline safety program. Each NJBPU inspection form contains references to the applicable Federal and State pipeline safety code sections. The code references are shown in the left hand column opposite the applicable inspection item on each NJBPU inspection form.

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

Yes. NTSB B7 is on the NJBPU GS-2 inspection form entitled "Corrosion Control".

9	Did the state review operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance) (NTSB) Chapter 5.1 (B8) Yes = 1 No = 0	1	1
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Evaluator Notes:

Yes. NTSB B8 is on the NJBPU GS-3 inspection form entitled "Inspection & Maintenance Requirements".

10	Did the state review operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21? (NTSB) Chapter 5.1 (B9) Yes = 1 No = 0	1	1
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Evaluator Notes:

Yes. NTSB B9 is on the NJBPU GS-3 inspection form entitled "Inspection & Maintenance Requirements".

11	Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 192.617? Chapter 5.1 (B10,E5) Yes = 1 No = 0	1	1
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Evaluator Notes:

Yes. NTSB B10 is on the NJBPU GS-3 inspection form entitled "Inspection & Maintenance Requirements". In addition, reports required by State regulations in the New Jersey Administrative Code are reviewed relative to compliance with 192.617.

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

Yes. Pipeline Safety Section reviews this and make a cast iron and bare steel infrastructure report.

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) Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:

Yes. Reviewed PHMSA OQ and IMP database prior to evaluation and information for 2013 was input.

14	Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission? (G14) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: Yes. Viewed the NPMS website during the evaluation and verified operators submitted information.			
15	Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199 (I1-3) Yes = 2 No = 0 Needs Improvement = 1	2	2
Evaluator Notes: Yes. Conducted a drug and alcohol inspection on each LDC in CY 2013.			
16	Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 192 Part N (I4-7) Yes = 2 No = 0 Needs Improvement = 1	2	2
Evaluator Notes: This was done on PSEG and NJNG during a Standard and Records inspection in 2013.			
17	Is state verifying operator's gas transmission integrity management programs (IMP) are up to date? This should include a previous review of IMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart O (I8-12) Yes = 2 No = 0 Needs Improvement = 1	2	NA
Evaluator Notes: None conducted in 2013.			
18	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 DIMP ? First round of program inspections should be complete by December 2014 Yes = 2 No = 0 Needs Improvement = 1	2	2
Evaluator Notes: DIMP initial reviews were conducted in 2012. Will complete review by end of 2014.			
19	Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 192.616 (I13-16) PAPEI Effectiveness Inspections should be complete by December 2013 Yes = 2 No = 0 Needs Improvement = 1	2	2
Evaluator Notes: Completed prior to 2013.			
20	Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public). (G20-21) Yes = 1 No = 0 Needs Improvement = .5	1	1

Evaluator Notes:

Enforcement cases are available to public via Open Public Records Act. Communication with stakeholders is through New Jersey Common Ground Alliance meetings, breakfast meetings held by NJ One Call and gas operators with stakeholders, and Bureau of Pipeline Safety attending quarterly gas operator meetings.

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| 21 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (B6)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Yes. Reviewed Pipeline Data Mart prior to evaluation, it listed 1 SRC in 2013 and it was closed.

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| 22 | Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? (G13)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

Yes. Reviewed emails sent to operators asking for such information.

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| 23 | Did the state participate in/respond to surveys or information requests from NAPS or PHMSA? (H4)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Yes.

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| 24 | If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate.
Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

No waivers /special permits issued.

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| 25 | General Comments:
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

Total points scored for this section: 41
Total possible points for this section: 44

PART D - Compliance Activities

Points(MAX) Score

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

Evaluator Notes:

Yes. Listed in Section 5.2.1 of the inspection procedures and list each company officer.

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|----------|--|--------------------------------------|--|
| 2 | Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1 (B11,B18,B19)
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Were compliance actions sent to company officer or manager/board member if municipal/government system? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Were probable violations documented? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Were probable violations resolved? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| d. | Was the progress of probable violations routinely reviewed? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes. Reviewed inspection and compliance activities.

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

Yes. Reviewed inspections and compliance letters.

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

Yes.

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

Evaluator Notes:

Yes.

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

Yes. Issued fines and collected \$150,000 in 2012

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| 7 | General Comments:
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

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

PART E - Incident Investigations

Points(MAX) Score

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

Evaluator Notes:
Yes. On call rotates among inspectors for after hour calls.

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

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

Evaluator Notes:
Yes. reviewed the report for both reported incident in 2013.

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| 4 | Did the state initiate compliance action for violations found during any incident/accident investigation? (D6)
Yes = 1 No = 0 | 1 | 1 |
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Evaluator Notes:
Yes. Issued a=one call violation penalty.

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

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|----------|---|---|---|
| 6 | Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPS Region meetings, state seminars, etc) (G15)
Yes = 1 No = 0 | 1 | 1 |
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Evaluator Notes:
Yes, at NAPS Region meetings, State pipeline safety seminars, meetings with Natural Gas Operators, and New Jersey Common Ground Alliance meetings.

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| 7 | General Comments:
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

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

PART F - Damage Prevention

Points(MAX) Score

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- | | | | |
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| 1 | Has the state reviewed directional drilling/boring procedures of each pipeline operator or its contractor to determine if they include actions to protect their facilities from the dangers posed by drilling and other trench less technologies? NTSB (E1)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

Yes, NJ gas operator directional drilling / boring procedures have been reviewed. In addition, N.J.A.C. 14:7-1.25 on directional drilling operations contains guidelines for gas operators to follow. Please see attachment for Part F-1.

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

Evaluator Notes:

Yes, reviewed in BPU office.

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

Yes, as an example, please see attachment for Part F-3, which is the Agenda for the October 9, 2013 New Jersey Common Ground Alliance meeting at which a 9 Elements presentation was given.

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| 4 | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests? (This can include DIRT and other data shared and reviewed by the pipeline safety program) (E4,G5)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, in addition natural gas damages are mapped and analyzed by location. Please see attachment for Part F-4, which depicts a partial section of the statewide mapped natural gas damages

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| 5 | General Comments:
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

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

PART G - Field Inspections

Points(MAX) Score

		Points(MAX)	Score
1	Operator, Inspector, Location, Date and PHMSA Representative Info Only = No Points Name of Operator Inspected: Elizabethtown Gas, PSE&G and New Jersey Natural Gas Name of State Inspector(s) Observed: John Grillo, John Prieto and Eric Weaver Location of Inspection: Elizabeth, NJ, Springfield, NJ and Normandy Beach, NJ Date of Inspection: May 7 and 8, 2014 Name of PHMSA Representative: Jim Anderson Evaluator Notes: Only saw fabrication of steel pipeline on May 8 due to bad weather.	Info Only	Info Only
2	Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (F2) Yes = 1 No = 0 Evaluator Notes: Yes.	1	1
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) Yes = 2 No = 0 Needs Improvement = 1 Evaluator Notes: Yes.	2	2
4	Did the inspector thoroughly document results of the inspection? (F4) Yes = 2 No = 0 Needs Improvement = 1 Evaluator Notes: Yes.	2	2
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) Yes = 1 No = 0 Evaluator Notes: Yes.	1	1
6	Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) (F7) Yes = 2 No = 0 Needs Improvement = 1 a. Procedures <input checked="" type="checkbox"/> b. Records <input type="checkbox"/> c. Field Activities <input checked="" type="checkbox"/> d. Other (please comment) <input type="checkbox"/> Evaluator Notes:	2	2
7	Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) (F8)	2	2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes.

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- | | | | |
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| 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)
Yes = 1 No = 0 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

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

Evaluator Notes:

Yes. In the cathodic protection inspection it was noted and documented that the company did not follow company procedures for taking enough CP reading for the distance of pipe structure being protected.

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

- | | | |
|----|-----------------------------------|-------------------------------------|
| 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 checked="" type="checkbox"/> |
| h. | Cast-iron Replacement | <input checked="" 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
- H. Compliance Follow-up
- I. Atmospheric Corrosion
- J. Other

-
-
-
-

Evaluator Notes:

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

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

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

PART I - 60106 Agreement State (If Applicable)

Points(MAX) Score

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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