



2009 Hazardous Liquid State Program Evaluation

for

NEW YORK PUBLIC SERVICE COMMISSION

Document Legend

PART:

- O -- Representative Date and Title Information
- A -- General Program Qualifications
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2009 Hazardous Liquid State Program Evaluation -- CY 2009
Hazardous Liquid

State Agency: New York
Agency Status:
Date of Visit: 08/23/2010 - 08/27/2010
Agency Representative: Gavin Nicoletta, P.E.
PHMSA Representative: Dino N. Rathod, P.E.
Commission Chairman to whom follow up letter is to be sent:
Name/Title: Garry A. Brown, Chairman
Agency: New York Public Service Commission
Address: Three Empire State Plaza
City/State/Zip: Albany, New York 12223

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

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.

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	25
B Inspections and Compliance - Procedures/Records/Performance	25	25
C Interstate Agent States	3	3
D Accident Investigations	7	7
E Damage Prevention Initiatives	9	9
F Field Inspection	12	12
G PHMSA Initiatives - Strategic Plan	10	10
H Miscellaneous	3	3
I Program Initiatives	9	9
TOTALS	104	103
State Rating		99.0



PART A - General Program Qualifications

Points(MAX) Score

1	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 Yes = 8 No = 0 Needs Minor Improvement = 3-7 Needs Major Improvement = 2	8	7
	a. State Jurisdiction and agent status over Hazardous Liquid and CO2 facilities (1)		<input checked="" type="checkbox"/>
	b. Total state inspection activity (2)		<input checked="" type="checkbox"/>
	c. Hazardous Liquid facilities subject to state safety jurisdiction (3)		<input checked="" type="checkbox"/>
	d. Hazardous Liquid 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 Hazardous Liquid pipeline safety program (7)		<input checked="" type="checkbox"/>
	h. State compliance with Federal requirements (8)		<input checked="" type="checkbox"/>

SLR Notes:

Attachment 8 minor corrections needed. Enforcement of civil penalty in conflict with federal requirements. NY PSC's attempted but had no success to resolve. Discrepancy in NY CRR is inconsistent with federal code requirements. NY PSC was requested to follow-up. Corrections to Attachments need to be resubmitted to PHMSA (FedStar and hard signed copies).

2	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 (accident criteria as referenced in 195.50? - Mechanism should include receiving "after hours" reports) (Chapter 6) Previous Question A.2 Yes = 1 No = 0	1	1
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SLR Notes:

State Guideline Manual (SGM)- Section IX covers this information.

3	Has the state held a pipeline safety T & Q 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.5 Yes = 2 No = 0	2	2
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SLR Notes:

PSC hosted T&Q Seminar in Sept 2010 in Saratoga Springs.

4	Were pipeline safety program files well-organized and accessible?(NOTE: This also includes electronic files) (Chapter 5) Previous Question A.6 Yes = 1 No = 0	1	1
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SLR Notes:

PSC files are kept in a secure bldg. Files are well organized and accessible (hard copies and computerized data)

5	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.7 Yes = 2 No = 0 Needs Improvement = 1	2	2
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SLR Notes:

Gavin Nicoletta has extensive pipeline safety experience, has completed required T&Q training. He works closely with PHMS staff and NAPSRS. He actively participates in NAPSRS committees. He provides guidance to PSC inspection staff.

6	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.9 Yes = 1 No = 0	1	1
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SLR Notes:

PSC responded Feb 14, 2010

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? (Chapter 8.1) Previous Question A.10 Yes = 1 No = 0	1	1
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SLR Notes:

Discussed with PSC that state was unable to pass proposed revisions to NY CRR. This issue has been under discussion with PSC staff for many years now with no results. NY CRR poses limitation on PSC for violations by operators unless it results in death or injury. This limitation is not consistent with applicable federal regs for enforcement of pipeline safety violations.

Personnel and Qualifications

- | | | | |
|----------|---|---|---|
| 8 | Has each inspector fulfilled the 3 year T&Q training requirement? If No, has the state been granted a waiver regarding T&Q courses by the Associate Administrator for Pipeline Safety? (NOTE: If the State has new inspectors who have not attended all T&Q 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.11
Yes = 3 No = 0 | 3 | 3 |
|----------|---|---|---|

SLR Notes:

- | | | | |
|----------|---|-----------|-----------|
| 9 | Brief Description of Non-T&Q training Activities
Info Only = No Points

For State Personnel:

For Operators:

For Non-Operator Entities/Parties, Information Dissemination, Public Meetings: | Info Only | Info Only |
|----------|---|-----------|-----------|

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.13
Yes = 1 No = 0 | 1 | 1 |
|-----------|---|---|---|

SLR Notes:

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|-----------|---|---|---|
| 11 | Did the lead inspectors complete all required T&Q Integrity Management (IMP) Courses/Seminars and CBT before conducting IMP Inspections? (Chapter 4.4.1) Previous Question A.14
Yes = 1 No = 0 | 1 | 1 |
|-----------|---|---|---|

SLR Notes:

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|-----------|--|---|---|
| 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.14
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):
139.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 0.78 = 170.50

Ratio: A / B
139.00 / 170.50 = 0.82

If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
Points = 5 | 5 | 5 |
|-----------|--|---|---|

SLR Notes:

Ratio = A/B = 139/170.5 = 0.82
Thus Points = 5

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



SLR Notes:

14 Part-A General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

Total points scored for this section: 25
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) (Chapter 5.1) Previous Question B.1 + Chapter 5 Changes 6.5 6.5
Yes = 6.5 No = 0 Needs Improvement = 50% Deduction
- a Standard Inspections (Including LNG) (Max points = 2) Yes No Needs Improvement
 - b IMP Inspections (Including DIMP) (Max points = .5) Yes No Needs Improvement
 - c OQ Inspections (Max points = .5) Yes No Needs Improvement
 - d Damage Prevention (Max points = .5) Yes No Needs Improvement
 - e On-Site Operator Training (Max points = .5) Yes No Needs Improvement
 - f Construction Inspections (Max points = .5) Yes No Needs Improvement
 - g Incident/Accident Investigations (Max points = 1) Yes No Needs Improvement
 - h Compliance Follow-up (Max points = 1) Yes No Needs Improvement

SLR Notes:

Discussed with PSC status of State Guideline Manual (SGM). It was agreed that the SGM review and revisions will be completed by Dec 17, 2010. Gavin Nicoletta will incorporate my comments (sent to him upon completion of program Eval). PSC will also review PHMSA's State Guideline Manual (2011 version) and incorporate applicable changes in SGM.

- 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 No Needs Improvement
 - b History of Operator/unit and/or location (including leakage , incident and compliance history) Yes No Needs Improvement
 - c Type of activity being undertaken by operator (construction etc) Yes No Needs Improvement
 - d For large operators, rotation of locations inspected Yes No Needs Improvement

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.5 1 1
Yes = 1 No = 0

SLR Notes:

- 5** Did state complete all applicable portions of inspection forms? (Chapter 5.1 (3)) Previous Question B.6 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.7 .5 0.5
Yes = .5 No = 0

SLR Notes:



7	Did the state review operator procedures for determining areas of active corrosion on liquid lines in sufficient detail? (NOTE: PHMSA representative to describe state criteria for determining areas of active corrosion) Previous Question B.8 Yes = .5 No = 0	.5	0.5
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SLR Notes:

8	Did the state adequately review for compliance operator procedures for abandoning pipeline facilities and analyzing pipeline accidents to determine their causes? (NOTE: PHMSA representative to describe state criteria for determining compliance with abandoning pipeline facilities and analyzing pipeline accidents to determine their causes) Previous Question B.9 Yes = .5 No = 0	.5	0.5
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SLR Notes:

9	Is the state aware of environmentally sensitive areas traversed by or adjacent to hazardous liquid pipelines? (reference Part 195, review of NPMS) Previous Question B.16 Yes = .5 No = 0	.5	0.5
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SLR Notes:

PSC staff review pertinent information- environmentally sensitive areas traversed by or adjacent to hazardous liquid pipelines.

10	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 195.402(c)(5)? Previous Question B.11 Yes = 1 No = 0	1	1
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SLR Notes:

Compliance - 60105(a) States

11	Did the state adequately document sufficient information on probable violations? (Chapter 5.2) Previous Question B.13 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

In 2009 PSC found 3 NOPV and 3 were carried over from previous year(s). PSC 5 Compliance Actions were initiated.

12	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 C(1).1 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

13	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 C(1).2 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

14	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 C(1).3 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

15	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 C(1).4 Yes = 1 No = 0	1	1
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SLR Notes:

In 2009 PSC found 3 NOPV and 3 were carried over from previous year(s). PSC 5 Compliance Actions were initiated.

16	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 C(1).5 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

17	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 C(1).6 No = 0 Yes = 1	1	1
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SLR Notes:

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

In 2009 PSC found 3 NOPV and 3 were carried over from previous year(s). PSC 5 Compliance Actions were initiated.

19	Were compliance actions sent to a company officer? (manager or board member if municipal/government system) (Chapter 5.1(4)) Previous Question C(1).8 Yes = .5 No = 0	.5	0.5
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SLR Notes:

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

Compliance - 60106(a) States

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

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

23	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 C(2).3 Yes = 1 No = 0 Needs Improvement = .5	1	NA
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SLR Notes:

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

SLR Notes:

25 Did the state give written notice to PHMSA within 60 days of all probable violations found? Previous Question C(2).5 1 NA
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

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

SLR Notes:

27 Part B: General Comments/Regional Observations Info Only NA
Info Only = No Points

SLR Notes:

Discussed with PSC status of State Guideline Manual (SGM). It was agreed that the SGM review and revisions will be completed by Dec 17, 2010. Gavin Nicoletta will incorporate my comments (sent to him upon completion of program Eval). PSC will also review PHMSA's State Guideline Manual (2011 version) and incorporate applicable changes in SGM.

Total points scored for this section: 25
Total possible points for this section: 25



PART C - Interstate Agent States

Points(MAX) Score

1 Did the state use an inspection form that was approved by the Regional Director? Previous Question C(3).1 1 1
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

2 Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? Previous Question C(3).2 1 1
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

PSC staff coordiantes interstate inspection activities with ER staff members.

3 Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? Previous Question C(3).3 1 1
Yes = 1 No = 0

SLR Notes:

4 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 C(3).4 1 NA
Yes = 1 No = 0

SLR Notes:

in CY 2009 no prob violations were found for haz liquid interstate pipelines.

5 Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? Previous Question C(3).5 1 NA
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

6 Did the state give written notice to PHMSA within 60 days of all probable violations found? Previous Question C(3).6 1 NA
Yes = 1 No = 0

SLR Notes:

7 Did the state initially submit documentation to support compliance action by PHMSA on probable violations? Previous Question C(3).7 1 NA
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

8 Part C: General Comments/Regional Observations Info Only Info Only
Info Only = No Points

SLR Notes:

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



PART D - Accident Investigations

Points(MAX) Score

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

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 D.2
 Yes = .5 No = 0

SLR Notes:

3 Did the state keep adequate records of accident notifications received? Previous Question D.3
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

PSc maintains records of accident notifications received.

4 If an onsite investigation of an accident 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 D.4
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

5 Were investigations thorough and conclusions and recommendations documented in an acceptable manner? Previous Question D.5, , comprehensive question worth 2 points total
 Yes = 2 No = 0 Needs Improvement = 1

a. Observations	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 where appropriate	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Needs Improvement <input type="radio"/>

SLR Notes:

6 Did the state initiate enforcement action for violations found during any accident investigation(s)? Previous Question D.6 Variation
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Nov 17, 2009 Buckeyes accident was investigated. PSC found that pipeline was mis-marked by about 60 inches. Excavator also failed to follow operator instructions to notify of activities/ changes. PSC initiated necessary compliance action(s).

7 Did the state assist region office by taking appropriate follow-up actions related to the operator accident (and forward to PHMSA within 10 Days per 195.58) 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 D.7/D.8 and A.4
 Yes = .5 No = 0

SLR Notes:

8 Part D: General Comments/Regional Observations
 Info Only = No Points

Info Only Info Only

SLR Notes:

Nov 17, 2009 Buckeye accident at Skillman Ave, Astoria, Queens, NYC. 3rd party damage to jet fuel pipeline and interruption to La Guardia airport. PSC investigated this liquid spill.

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



PART E - Damage Prevention Initiatives

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? Previous Question B.12
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

SLR Notes:

Per NY CRR Part 753-Verify locations/Tolerance Zone (See 753-1.2 (k) & (i), 753-3.6 and 753-3.7). NY Dig Safe also publishes "Excavator Manual" and highlight Dig with care- pp 11 &12. Encourages excavator to hand dig a test hole to verify and expose pipeline facility.

- | | | | |
|----------|--|---|---|
| 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? New 2008
Yes = 2 No = 0 | 2 | 2 |
|----------|--|---|---|

SLR Notes:

16 NY CRR Part 753 requires notification to One call Centers for NYC, LI and outside. Excavator can call (24-7) and or contact thru web based system

- | | | | |
|----------|---|---|---|
| 3 | 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.8
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

SLR Notes:

IN the Excavator 's Manual" Users Guide to Safe Excavation Practices in NY State- on Page 5 it provides reference to CGA as part of "Guidelines for Marking Proposed Excavations".

- | | | | |
|----------|---|---|---|
| 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? New 2008
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

PSc collects and analyzed data for trends. PSC published 2009 GAs Safety Performance Measures Report (Case 10_G-0225) Pages 3 -36 provide details of Damage prevention data analysis.

- | | | | |
|----------|---|---|---|
| 5 | 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 195.402 (c)(5)?
Yes = 2 No = 0 | 2 | 2 |
|----------|---|---|---|

SLR Notes:

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

SLR Notes:

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



PART F - Field Inspection

Points(MAX) Score

1 Operator, Inspector, Location, Date and PHMSA Representative Info Only Info Only
Info Only = No Points
 Name of Operator Inspected:
 United Refinery Pipeline Terminal
 Name of State Inspector(s) Observed:
 Richard Lepkowski
 Location of Inspection:
 Tonawanda, New York
 Date of Inspection:
 10/26/2010
 Name of PHMSA Representative:
 Dale Bennett

SLR Notes:

Gas Safety Supervisor Kevin Speicher was present. After completion of the records portion in the tonawanda, NY office, the field verification portion began.

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

SLR Notes:

The operator was present during the inspection and was notified about the planned inspection approximately two months prior to the inspection. On or about 8/30/2010.

3 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 E.2 2 2
Yes = 2 No = 0

SLR Notes:

The inspector used the federal inspection form for hazardous liquid pipelines. The revision date of the form was March, 2010.

4 Did the inspector thoroughly document results of the inspection? Previous Question E.3 2 2
Yes = 2 No = 0

SLR Notes:

Yes. The inspector marked the "check-off" columns for the results found on each item covered on the federal form. Any unsatisfactory results were described in the comments section of the form.

5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps, valve keys, half-cells, etc.) New 2008 1 1
Yes = 1 No = 0

SLR Notes:

Yes. The inspector checked the equipment used to take cathodic protection readings. The inspector verified that the volt meter was properly calibrated.

6 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 Info Only
Info Only = No Points

SLR Notes:

The inspector performed a standard inspection. The inspection covered activities of the operator since the last inspection.

7 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 2 2
Yes = 2 No = 0 Needs Improvement = 1

- a. Procedures
- b. Records
- c. Field Activities/Facilities
- d. Other (Please Comment)



SLR Notes:

The procedures and records review was conducted. The inspector described the inspection activities conducted the results of the review. On the day of observation, the inspector observed readings taken on facilities and the condition of pipeline facilities in the field.

8 Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Liaison will document reasons if unacceptable) Previous Question E.8 2 2
Yes = 2 No = 0

SLR Notes:

Mr. Lepkowski exhibited a good understanding of the pipeline safety regulations and knowledge of the operator's pipeline facilities.

9 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 E.10 1 1
Yes = 1 No = 0

SLR Notes:

Yes. The inspector provided a briefing of the inspection results to the operator and provided additional items that were needed from the operator to complete the inspection.

10 During the exit interview, did the inspector identify probable violations found during the inspections? Previous Question E.11 1 1
Yes = 1 No = 0

SLR Notes:

Yes. The inspector identified non compliance issues that were found during the inspection. He explained the regulatory requirements and cited the code sections that contained the requirements.

11 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:

The inspector observed valve operating tests, cathodic protection potential and rectifier readings, atmospheric corrosion condition of above ground piping, line markers and signs and overpressure protection devices. Mr. Lepkowski was very thorough in his inspection observations. He conducted the inspection in a professional manner and treated the operator's representatives with respect.

12 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:

There were no best practices that were observed to share with other states or PHMSA regions.

13 Field Observation Areas Observed (check all that apply) Info Only Info Only
Info Only = No Points

- a. Abandonment
- b. Abnormal Operations
- c. Break-Out Tanks
- d. Compressor or Pump Stations
- e. Change in Class Location
- f. Casings
- g. Cathodic Protection
- h. Cast-iron Replacement
- i. Damage Prevention
- j. Deactivation
- k. Emergency Procedures
- l. Inspection of Right-of-Way
- m. Line Markers
- n. Liaison with Public Officials
- o. Leak Surveys
- p. MOP
- q. MAOP
- r. Moving Pipe



- s. New Construction
- t. Navigable Waterway Crossings
- u. Odorization
- v. Overpressure Safety Devices
- w. Plastic Pipe Installation
- x. Public Education
- y. Purging
- z. Prevention of Accidental Ignition
- A. Repairs
- B. Signs
- C. Tapping
- D. Valve Maintenance
- E. Vault Maintenance
- F. Welding
- G. OQ - Operator Qualification
- H. Compliance Follow-up
- I. Atmospheric Corrosion
- J. Other

SLR Notes:

Most of these areas were covered during inspection conducted the day of the observation.

14 Part F: General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

Mr. Lepkowski was very thorough in his inspection observations. He conducted the inspection in a professional manner and treated the operator's representatives with respect. He provided a clear and concise briefing of her inspection findings. Numerous concerns were identified with the inspection that was performed.

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



PART G - PHMSA Initiatives - Strategic Plan

Points(MAX) Score

Risk base Inspections - Targeting High Risk Areas

1 Does state have process to identify high risk inspection units? 1.5 1.5

Yes = 1.5 No = 0

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:

NY PSC utilizes mathematical algorithm to help determine high risk pipeline facilities

2 Are inspection units broken down appropriately? (see definitions in Guidelines) .5 0.5

Yes = .5 No = 0

SLR Notes:

3 Does state inspection process target high risk areas? .5 0.5

Yes = .5 No = 0

SLR Notes:

Use of Data to Help Drive Program Priority and Inspections

4 Does state use data to analyze effectiveness of damage prevention efforts in the state? (DIRT or other data, etc) .5 0.5

Yes = .5 No = 0

SLR Notes:

PSC participates in verifying effectiveness of damage prevention efforts. -2009 Gas Safety Performance Measures Report(Case 10-G-0225). It reviews data for Mismarks, Company & Contractor locators, excavator errors, No-calls

5 Has state reviewed data on Operator Annual reports for accuracy? .5 0.5

Yes = .5 No = 0

SLR Notes:

6 Has state analyzed annual report data for trends and operator issues? .5 0.5

Yes = .5 No = 0

SLR Notes:

2009 Gas Safety Performance Measures Report(Case 10-G-0225). It reviews data

7 Has state reviewed data on Incident/Accident reports for accuracy? .5 0.5

Yes = .5 No = 0

SLR Notes:

I discussed to re-emphasize PHMSA's need for data accuracy, completeness and consistency. PSC works with PHMSA to achieve this goal.

8 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:

2009 Gas Safety Performance Measures Report dated June 3, 2010 (Case 10-G-0225). It reviews data.

9 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? .5 0.5
Yes = .5 No = 0

SLR Notes:

NY PSC has performed OQ inspections and uploaded completed in OQDB in a timely manner.

10 Did the State submit their replies into the Integrity Management Database (IMDB) in response to the Operators notifications for their integrity management program? .5 0.5
Yes = .5 No = 0

SLR Notes:

NY PSC has submitted replies in IMDB.

11 Have the IMP Federal Protocol forms been uploaded to the IMDB? Previous Question B.17 .5 0.5
Yes = .5 No = 0

SLR Notes:

NY Psc staff performed IMP inspections (2002-2008) and uploaded in IMDB.

12 Did the State use the Federal Protocols to conduct IMP Inspections? (If the State used an alternative inspection form(s) please provide information regarding alternative form(s)) Previous Question C(2).6 .5 0.5
Yes = .5 No = 0

SLR Notes:

PSCstaff used the Federal Protocols to conduct IMP Inspections.

13 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:

Accident/Incident Investigation Learning and Sharing Lessons Learned

14 Has state shared lessons learned from incidents/accidents? (i.e. NAPSr meetings and communications) .5 0.5
Yes = .5 No = 0

SLR Notes:

PSC shared with various stakeholders and NAPSr meeting in 2009-2010

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

SLR Notes:

PSC staff members work closely with PHMSA/ER

16 Does state have incident/accident criteria for conducting root cause analysis? Info Only Info Only
Info Only = No Points

SLR Notes:

17 Does state conduct root cause analysis on incidents/accidents in state? Info Only Info Only
Info Only = No Points

SLR Notes:

18 Has state participated on root cause analysis training? (can also be on wait list) .5 0.5
No = 0 Yes = .5



SLR Notes:

PSC inspectors have attended and participated in Root Cause Analysis Training

Transparency - Communication with Stakeholders

19	Other than pipeline safety seminar does State communicate with stakeholders? (Communicate program data, pub awareness, etc.) Yes = .5 No = 0	.5	0.5
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SLR Notes:

- 1 NY PSC prepared and published on June 3, 2010 2009 Gas safety Performance Measures Report.
2. PSC staff actively participates in Damage Prevention Councils through the state. PSC attends Monthly and Breakfast Meetings, as many as possible.

20	Does state share enforcement data with public? (Website, newsletters, etc.) Yes = .5 No = 0	.5	0.5
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SLR Notes:

NY PSC shares via Public website:
<http://www3.dps.state.ny.us/w/pscweb.nsf/>

21	Part G: General Comments/Regional Observations Info Only = No Points	Info Only	Info Only
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SLR Notes:

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



PART H - Miscellaneous

Points(MAX) Score

-
- 1** What were the major accomplishments for the year being evaluated? (Describe the accomplishments, NAPSR .5 0.5
Activities and Participation, etc.) Previous Question A.15
Yes = .5 No = 0

SLR Notes:

- 1) June 3, 2010 PSC prepared and published State Performance Report for CY 2009. It collected and analyzed data for damage prevention, infrastructure enhancement and areas for possible improvements.
2) NAPSR Activities
3) PSC staff participated in Common Ground Alliance and GPTC
4) Dig Safe Damage Prevention Council and Public Education events
-

- 2** What legislative or program initiatives are taking place/planned in the state, past, present, and future? (Describe .5 0.5
initiatives (i.e. damage prevention, jurisdiction/authority, compliance/administrative, etc.) A.16
Yes = .5 No = 0

SLR Notes:

PSC continues to enhance damage prevention initiatives and modify civil penalty and enhance it for repeat violators

- 3** Any Risk Reduction Accomplishments/Projects? (i.e. Replacement projects, bare steel, third-party damage .5 0.5
reductions, HCA's/USA mapping, internal corrosion, etc.)
Yes = .5 No = 0

SLR Notes:

- 1) NY PSC prepared and published Performance Report for CY 2009. It addresses key issues: damage prevention, emergency response etc.
2) PSC also address risk reduction thru rate case initiatives.
-

- 4** Did the state participate in/respond to surveys or information requests from NAPSR or PHMSA? 1 1
Yes = 1 No = 0

SLR Notes:

PSC participated in NAPSR meeting and respond to Survey requests

- 5** Sharing Best Practices with Other States - (General Program) .5 0.5
Yes = .5 No = 0

SLR Notes:

NY PSC shared highlights of Pipeline Safety Program at NAPSR meeting.

- 6** Part H: General Comments/Regional Observations Info Only Info Only
Info Only = No Points

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)

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

SLR Notes:

PSc staff performed D&A inspections (2008-21009) and reviewed opewrator plans. PSC found several operator plans appear to be deficient. PSC to follow-up and resolve issues.

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

SLR Notes:

PSC has verified that operators are conducting the drug and alcohol tests required by the operators program.

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

SLR Notes:

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

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

SLR Notes:

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

SLR Notes:

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

SLR Notes:

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

SLR Notes:

Hazardous Liquid Pipeline Integrity Management (49 CFR Part 195.452)

- | | | | |
|----------|---|---|---|
| 8 | Has the state verified that all operators with hazardous liquid pipelines have adopted an integrity management program (IMP)?
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

- | | | | |
|----------|--|----|-----|
| 9 | Has the state verified that in determining whether a plan is required, the operator properly applied the definition of a high consequence area?
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

10	Has the state reviewed operator IMPs for compliance with 195.452? Yes = .5 No = 0	.5	0.5
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SLR Notes:
PSC used IMP Protocols.

11	Is the state monitoring operator progress on the inspections, tests and remedial actions required by the operator's IMP, which includes the manner and schedule called for in its IMP? Yes = .5 No = 0	.5	0.5
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SLR Notes:
PSC closely monitors IMP remedial activities.

12	Is the state verifying operators are periodically examining their hazardous liquid pipelines for the appearance of new HCAs? Yes = .5 No = 0	.5	0.5
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SLR Notes:
PSC staff performs record reviews and field audits (pipeline ROW patrols)

Public Awareness (49 CFR Section 195.440)

13	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)? Yes = .5 No = 0	.5	0.5
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SLR Notes:
PSC monitored thru Clearinghouse notices, rate case allocations

14	Has the state reviewed the content of these programs for compliance with 195.440 (by participating in the Clearinghouse or by other means)? Yes = .5 No = 0	.5	0.5
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SLR Notes:

15	Is the state verifying that operators are conducting the public awareness activities called for in its program? Yes = .5 No = 0	.5	0.5
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SLR Notes:
PSC staff actively participated in PA activities- Breakfast Mtgs, Attend Public Education and damage prevention mtgs in CY 2009.

16	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:

17	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