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

1200 New Jersey Avenue SE
Washington DC 20590

2010 Natural Gas State Program Evaluation

for

Office of Regulatory Staff of South Carolina

Document Legend
PART:

- O -- Representative Date and Title Information
- A -- General Program Qualifications
- B -- Inspections and Compliance - Procedures/Records/Performance
- C -- Interstate Agent States
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2010 Natural Gas State Program Evaluation -- CY 2010

Natural Gas

State Agency: South Carolina
Rating:
Agency Status:
60105(a): Yes **60106(a):** No **Interstate Agent:** No
Date of Visit: 06/27/2011 - 07/01/2011
Agency Representative: Vernon Gainey, Pipeline Safety Supervisor
PHMSA Representative: Don Martin
Commission Chairman to whom follow up letter is to be sent:

Name/Title: C. Dukes Scott, Executive Director
Agency: Office of Regulatory Staff of South Carolina
Address: 1401 Main Street, Suite 900
City/State/Zip: Columbia, South Carolina 29201

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 2010 (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 then 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	26
B	Inspections and Compliance - Procedures/Records/Performance	24	24
C	Interstate Agent States	0	0
D	Incident Investigations	6	6
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		**99**	**99**
State Rating			**100.0**

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	8

a.	State Jurisdiction and agent status over gas facilities (1)	☒
b.	Total state inspection activity (2)	☒
c.	Gas facilities subject to state safety jurisdiction (3)	☒
d.	Gas pipeline incidents (4)	☒
e.	State compliance actions (5)	☒
f.	State record maintenance and reporting (6)	☒
g.	State employees directly involved in the gas pipeline safety program (7)	☒
h.	State compliance with Federal requirements (8)	☒

SLR Notes:

Upon a review of the attachments to the ORS's 2011 Certificationinformation entered into the attachments were documented in the ORS's records. No inaccuracies were found.

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 (fatality, injury requiring hospitalization, property damage exceeding $50,000 - Mechanism should include receiving "after hours" reports)? (Chapter 6) Previous Question A.2 Yes = 1 No = 0	1	1

SLR Notes:

The ORS provides operators with reporting requirements and contact numbers to be used. After hour reporting is available. The ORS maintains a log of telephonic reports. The information is entered into the ORS's report database which can track the status of incident reports.

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

SLR Notes:

The ORS conducts a seminar once every two years. The ORS conducted a regulations update seminar in August, 2009. The next seminar is scheduled for August, 2011.

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

SLR Notes:

The ORS maintains both electronic and hard copies of their inspections reports and other records. The ORS utilizes a Microsoft Access system to complete reports electronically and stored the database. A system of hard copy inspection reports are kept in filing cabinets that are organized by operator and the date of the inspection. Other electronic files are kept to keep track of telephonic reports of incidents, summary information of inspections and track follow up on non-compliance issues found. All of the files are well organized and easy to access.

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.6 Yes = 2 No = 0 Needs Improvement = 1	2	2

SLR Notes:

Vernon Gainey has been the program manager for the ORS for approximately seven years. Mr. Gainey exhibited knowledge of pipeline safety regulations and the requirements for a state pipeline safety program outlined in the Guidelines For A State Pipeline Safety Program.

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.8 Yes = 1 No = 0	1	1

SLR Notes:

The ORS responded in 59 days.

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

Yes = 1 No = 0

SLR Notes:

The ORS began collecting damages per 1000 tickets and has set up the ability to establish trends on this data going forward. The ORS has verified that operators have Integrity Management Programs and completed IMP inspections for all but three existing operators and two new operators. The ORS developed a process to evaluate risk relative to all operators and identify risk areas to focus upon during inspections.

Personnel and Qualifications

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

Yes = 3 No = 0

SLR Notes:

The ORS inspection staff has successfully completed the minimum required courses within the 5 year timeframe. The most recently hired inspector, Michael Bunting still must successfully complete the PL1250 course during 2011 to meet the 5 year requirement. Vernon Gainey and David DeBruhl must complete the Hazwoper course by 2016.

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9 Brief Description of Non-TQ training Activities: — Info Only — Info Only

Info Only = No Points

For State Personnel:

Received training at the SGA training seminar. Attended annual ethics training.

For Operators:

None during 2010.

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

None during 2010.

SLR Notes:

See above.

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10 Did the lead inspectors complete all required T&Q OQ courses and Computer Based Training (CBT) before conducting OQ Inspections? (Chapter 4.4.1) Previous Question A.12 — 1 — 1

Yes = 1 No = 0

SLR Notes:

Upon a review of the OQ database and training records, the inspectors assigned to lead OQ inspections completed the required training prior to inspections being conducted.

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11 Did the lead inspectors complete all required TQ Integrity Management (IMP) Courses/Seminars and CBT before conducting IMP Inspections? (Chapter 4.4.1) Previous Question A.13 — 1 — 1

Yes = 1 No = 0

SLR Notes:

The protocol course and prerequisites have been successfully completed. SCADA, Inline Pigging, ECDA, Reliability Seminar and Internal Corrosion WBT were added as requirements after protocol course requirement. These must be completed before conducting subsequent IMP inspections.

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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.12 — 5 — 5

Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):

292.00

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

220 X 2.15 = 473.00

Ratio: A / B

292.00 / 473.00 = 0.62

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

Points = 5

SLR Notes:

The ORS experienced 292 inspection person days during 2010. The ORS assigned 2.15 person years to the program in 2010. The resulting ratio of inspection person days to person years is 0.62 which above the minimum ration of 0.38.

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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 — Info Only

Info Only = No Points

SLR Notes:

There were no changes in 2010. No changes are planned at this time.

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14 Part-A General Comments/Regional Observations — Info Only — Info Only

Info Only = No Points

SLR Notes:

The ORS has generally complied with the requirements in Part A of this evaluation.

Total points scored for this section: 26

Total possible points for this section: 26

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

Points(MAX) **Score**

Inspection Procedures

1 Does the State have a written inspection plan to complete the following? (all types of operators including LNG) (Chapter 5.1) Previous Question B.1 + Chapter 5 Changes + Incorporate LNG — 6.5 — 6.5

Yes = 6.5 No = 0 Needs Improvement = 50% Deduction

a	Standard Inspections (Including LNG) (Max points = 2)	Yes ◉	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:

The ORS has written procedures which state that each operator and unit will have a standard inspection completed once every two years. OQ field and damage prevention are covered in standard inspections. Followup inspections are scheduled after each inspection that contains a probable violation(s).

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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:

The following factors are considered in selecting operators to be inspected when developing the ORS's annual inspection plan.
1. To assist in determining a schedule of inspection activities with Operators, the following must be considered:
a. Abnormal number of potential non-compliances historically found.
b. Length of time since last inspection.
c. Past leakeage and/or incident history.
d. Prior frequency and number of non-compliances observed, addressed, and documented.
Any other event(s) within or without the Operator's facilities which may impose difficulty in administering O & M and compliance efforts and procedures.

2. Priority ranking for chronological order and frequency of inspections and will also reflects other known factors. These are listed as follows:
a. Significant percentage of Operator facilities located in metropolitan and/or ighly populated areas.
b. Significant number of Operator facilities located and operated within high concentrations of commercial/industrial areas.
c. Significant number of pipeline damages or failures recurring in specific geographic locations of Operator Service territory. Greater potential for facility damage in HCA's or other sensitive areas where these damages to a gas pipeline would probably cause major consequences.

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:

Upon a review of the ORS's inspection summary, the ORS complied with the inspection intervals described in its procedures. Upon a review of randomly selected inspection reports, the ORS's inspection summary appeared to be accurate.

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4 Did the state inspection form cover all applicable code requirements addressed on the Federal Inspection forms? (Chapter 5.1 (3)) Previous Question B.4 — 1 — 1

Yes = 1 No = 0

SLR Notes:

The ORS uses the federal inspection forms to conduct its inspections.

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5 Did state complete all applicable portions of inspection forms? (Chapter 5.1 (3)) Previous Question B.5 — 1 — 1

Yes = 1 No = 0

SLR Notes:

Upon a review of randomly selected inspection files, the inspection forms for each inspection report were completed for the applicable portions of the inspection.

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6 Did the state initiate appropriate follow-up actions to Safety Related Condition Reports? (Chapter 6.3) Previous Question B.6 — .5 — .5

Yes = .5 No = 0

SLR Notes:

Yes. There was one safety related condition report filed in 2010. The operator mitigated the condition within five days. A permanent solution with pipe replacement was completed later. The ORS followed up properly.

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7 Did the state review operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken? (NTSB) Previous Question B.7 — .5 — NA

Yes = .5 No = 0

SLR Notes:

There is no cast iron pipe in South Carolina. All cast iron pipe has been replaced.

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8 Did the state review operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance) (NTSB) Previous Question B.8 — .5 — NA

Yes = .5 No = 0

SLR Notes:

There is no cast iron pipe in South Carolina. All cast iron pipe has been replaced.

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9 Did the state review operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21? (NTSB) Previous Question B.9 — .5 — .5

Yes = .5 No = 0

SLR Notes:

The ORS verifies that operator's procedures have procedures to identify the extent of migration of underground leaks when reviewing operator's emergency procedures and leak response procedures. The ORS reviews leak survey and leak repair records during its standard inspections.

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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 192.617? (NTSB) Previous Question B.10 — 1 — 1

Yes = 1 No = 0

SLR Notes:

The ORS covers Part 192.617 requirements when it conducts standard inspections of operators. The ORS reviews operator's response times when reviewing operator's leak repair records.

Compliance - 60105(a) States

11 Did the state adequately document sufficient information on probable violations? (Chapter 5.2) Previous Question B.14 — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Upon a review of randomly selected inspection reports, probable violations that were found during inspections were described as to what actions the operator took or failed to take which resulted in the finding of a probable violation.

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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 D(1).1 — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Yes. The ORS provides immediate notification to the operator and follows up with written notification. The ORS's procedures provide the operators with 30 days to respond to the written notification. If no response is received after 30 days, the ORS sends another written notification to the operator. The ORS can initiate a show cause proceeding if the operator does not respond within 90 days of the original written notification. Operators have the opportunity to provide evidence that a probable violation did not occur at any time or request a show cause proceeding to argue its case.

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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 D (1).2 — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

The ORS procedures state that any probable violations found during an inspection should first be communicated during the exit interview of the inspection. Official notification is provided by written notification. The written notification is provided to the operator detailing the results of each inspection. If a probable violation is found, it is stated so in the letter.

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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 D(1).3 — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

When a non-compliance is recorded on an inspection report, a copy of the report, copy of the notification letter to the Operator, the Operator's response, and all related correspondence will be stored in a sub-folder and kept in a master folder at a specific designated location in the files. These may be filed in the Operator folders each year's end. If an item is unresolved at the time of the filing, it must remain in the non-compliance log and can be filed at the end of the next calendar year, or the year in which the non-compliance is satisfactorily addressed. It is the responsibility of the Pipeline Safety Supervisor to monitor this folder for adherence to the procedures, and each Inspector's responsibility to monitor each non-compliance that he recorded until the non-compliance is cleared. At this point, each non-compliance must be cleared and removed from the folder after no longer being considered "open.

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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 D(1).4 — 1 — 1

Yes = 1 No = 0

SLR Notes:

Upon a review of randomly selected inspection report files, written notifications were sent to operators for inspections that found probable violations.

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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 D(1).5 — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Upon a review of randomly selected inspection report files, the appropriate follow up was executed to monitor the corrective actions required of operators to clear probable violations.

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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 D(1).6 — 1 — 1

No = 0 Yes = 1

SLR Notes:

There were no show cause hearing information in the inspection files that were reviewed. The ORS stated there were no actions on the part of an operator that warranted a petition for a "show cause hearing" in 2010.

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18 Did the state adequately document the resolution of probable violations? (Chapter 5.1 (6)) Previous Question D(1).7 — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Upon a review of randomly selected inspection report files, the ORS had documentation in the inspection files describing the correction actions taken and the ORS's acceptance of the operators' corrective action.

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19 Were compliance actions sent to a company officer? (manager or board member if municipal/government system) (Chapter 5.1(4)) Previous Question D(1).8 — .5 — .5

Yes = .5 No = 0

SLR Notes:

Upon a review of randomly selected inspection files, non compliance letters were addressed to company officers for letters sent to private company operators.

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20 Did the compliance proceedings give reasonable due process to all parties? (check each states enforcement procedures) Previous Question D(1).9 — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Operators are provided with the opportunity to provide information that shows that a probable violation did not occur or operators can petition the Commissioners for a "show cause" hearing.

Compliance - 60106(a) States

21 Did the state use the current federal inspection form(s)? Previous Question D(2).1 — 1 — NA

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

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22 Are results adequately documented demonstrating inspection units were reviewed in accordance with state inspection plan? Previous Question D(2).2 — 1 — NA

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

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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 D(2).3 — 1 — NA

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

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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 D(2).4 — 1 — NA

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

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25 Did the state give written notice to PHMSA within 60 days of all probable violations found? Previous Question D(2).5 — 1 — NA

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

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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:

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27 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) — Info Only — NA

Info Only = No Points

SLR Notes:

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28 Part B: General Comments/Regional Observations — Info Only — Info Only

Info Only = No Points

SLR Notes:

The ORS has generally complied with the requirements of Part B of this evaluation.

Total points scored for this section: 24

Total possible points for this section: 24

PART C - Interstate Agent States

		Points(MAX)	Score
1	Did the state use the current federal inspection form(s)? Previous Question D(3).1 Yes = 1 No = 0 Needs Improvement = .5	1	NA

SLR Notes:

The ORS is not an interstate agent.

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

SLR Notes:

The ORS is not an interstate agent.

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

SLR Notes:

The ORS is not an interstate agent.

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

SLR Notes:

The ORS is not an interstate agent.

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 D(3).5 Yes = 1 No = 0 Needs Improvement = .5	1	NA

SLR Notes:

The ORS is not an interstate agent.

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

SLR Notes:

The ORS is not an interstate agent.

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

SLR Notes:

The ORS is not an interstate agent.

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

SLR Notes:

The ORS is not an interstate agent.

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

PART D - Incident Investigations

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

SLR Notes:

Yes. The ORS has cooperated with PHMSA's Southern Region Office in the incident that occurred during 2010.

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

SLR Notes:

Yes, Mr. Gainey exhibited knowledge of the jurisdictional authority and the cooperation outlined in the MOU.

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

SLR Notes:

Yes. The ORS kept a log of incidents that were reported to the ORS. The ORS maintains an investigation file for each reportable incident.

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

SLR Notes:

The ORS investigated all reportable incidents that occurred in 2010.

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

a.	Observations and Document Review	Yes ◉	No ○	Needs Improvement ○
b.	Contributing Factors	Yes ◉	No ○	Needs Improvement ○
c.	Recommendations to prevent recurrences where appropriate	Yes ◉	No ○	Needs Improvement ○

SLR Notes:

No issues were identified with the investigation of the incident that occurred on May 11, 2010.

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

SLR Notes:

There were no probable violations found in the investigation conducted in 2010.

7	Did the state assist region office by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA? (validate annual report data from operators concerning incidents/accidents and investigate discrepancies) (Chapter 6) Previous Question E.7/E.8 Yes = .5 No = 0	.5	0.5

SLR Notes:

No issues were identified related to the ORS's follow-up actions.

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

SLR Notes:

The ORS has generally complied with Part D requirements of this evaluation.

Total points scored for this section: 6
Total possible points for this section: 6

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.11 Yes = 2 No = 0 Needs Improvement = 1	2	2

SLR Notes:

Yes. The ORS verifies that operators include directional/boring procedures in their Operation and Maintenance Procedures. The ORS reviews these procedures when it conducts operator Operation and Maintenance Procedure Reviews.

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:

During standard inspections, the ORS verifies that operators follow through with their damage prevention programs required by Part 192.614.

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

SLR Notes:

The ORS mailed and delivered to operators copies of the CD containing CGA' s best practices. During seminars and other settings, the ORS has communicated to operators encouragement for adopting the best practices.

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:

No. The ORS has collected data on pipeline damages per 1000 tickets during 2010. The ORS uses this information as an input to its risk ranking model.

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 192.617? Yes = 2 No = 0	2	2

SLR Notes:

During standard inspections, the ORS reviews operator's records on leaks and failures during its review of operator's records documenting compliance with Part 192.617.

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

SLR Notes:

The ORS has generally complied with the requirements of Part E of this evaluation.

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:
South Carolina Electric and Gas

Name of State Inspector(s) Observed:
David DeBruhl

Location of Inspection:
Charleston District

Date of Inspection:
June 29, 2011

Name of PHMSA Representative:
Don Martin

SLR Notes:

The inspection covered the inspection of critical valves and cathodic protection for the Charleston District. Records were checked for valve inspection and cathodic protection reading frequencies. The operation of valves and test point readings was observed in the field.

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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:

Yes. Cedric Green, Division Manager, was notified of the inspection. Joe Byrd represented SCE & G during the inspection.

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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 F.2 — 2 | 2

Yes = 2 No = 0

SLR Notes:

The ORS inspector used the federal form for the comprehensive inspection of SCE & G's East Division which encompasses the Charleston District. The inspection observed was a specialized inspection focused on valve inspections and cathodic protection system.

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4 Did the inspector thoroughly document results of the inspection? Previous Question F.3 — 2 | 2

Yes = 2 No = 0

SLR Notes:

Yes. Mr. DeBruhl completed forms developed by the ORS for valve inspections and cathodic protection test point reading.

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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.) New 2008 — 1 | 1

Yes = 1 No = 0

SLR Notes:

Yes. Mr. Debruhl checked the voltmeter and half cell for the cathodic protection readings. He asked for the calibration dates of the voltmeter.

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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 inspection was a standard inspection focused on valve inspections and cathodic protection.

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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:

Mr. DeBruhl reviewed valve inspection and cathodic protection records and observed valve operation and test point readings.

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8 Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Liaison will document reasons if unacceptable) Previous Question F.8 — 2 — 2

Yes = 2 No = 0

SLR Notes:

Yes. Mr. DeBruhl has been working in pipeline safety regulation for 25 years. He has taken all of the required TnQ courses except for the Hazwoper Course.

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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 F.10 — 1 — 1

Yes = 1 No = 0

SLR Notes:

Yes. Mr. DeBruhl provided a summary of his findings. No probable violations were found.

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10 During the exit interview, did the inspector identify probable violations found during the inspections? Previous Question F.11 — 1 — 1

Yes = 1 No = 0

SLR Notes:

Mr. DeBruhl stated that no probable violations were found.

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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:

Operation of valves and cathodic protection test point readings.

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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:

No best practices were identified.

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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:

No issues found.

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14 Part F: General Comments/Regional Observations — Info Only Info Only

Info Only = No Points

SLR Notes:

The ORs has generally complied with the requirements of Part F of this evaluation.

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:

The ORS implemented a process to relatively risk rank inspection units. This information was used to schedule 2011 inspections and identify focus areas of inspections.

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

Yes = .5 No = 0

SLR Notes:

Yes. The inspection units are broken up as described in the "Guidelines For State Pipeline Programs" (Guideline).

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3 Consideration of operators DIMP Plan? (if available and pending rulemaking) — Info Only — Info Only

Info Only = No Points

SLR Notes:

Operators DIMP plans are not available until August, 2011.

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

Yes = .5 No = 0

SLR Notes:

Yes. The ORS's recently completed relative risk ranking model identifies areas to focus upon during inspections.

Use of Data to Help Drive Program Priority and Inspections

5 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:

The ORS has reviewed damage statistics for South Carolina that are contained in the CGA's "DIRT" reporting system.

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

Yes = .5 No = 0

SLR Notes:

The ORS requires that operators provide it with a copy of its Annual Reports submission to PHMSA each year. The ORS reviews the information for accuracy and comparison to the previous year report. The operators are informed of any inconsistencies found during the reviews.

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

Yes = .5 No = 0

SLR Notes:

The ORS monitors the mileage of bare steel mains remaining in each operator's system and the total within the state of South Carolina. The ORS also reviews trends on damages, leak repair and lost and unaccounted for gas data.

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

Yes = .5 No = 0

SLR Notes:

The ORS reviews data on incident repots to ensure that the reports are complete (all entries are completed), the proper status is checked (original, supplemental or final), and that the operator's stated cause of the gas release is reasonable and is consistent with the ORS's investigation.

9 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:

The ORS uses the data from annual report for trends on pipe materials, miles of main, number of services, leak repairs and unaccounted for gas.

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10 Did the State input all operator qualification inspection results into web based database provided by PHMSA in a timely manner upon completion of OQ inspections? Previous Question B.15 .5 0.5

Yes = .5 No = 0

SLR Notes:

The ORS has uploaded the completed protocol forms into the OQ database for the OQ inspections it has completed. Approximately 20 were uploaded during 2010.

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11 Did the State submit their replies into the Integrity Management Database (IMDB) in response to the Operators notifications for their integrity management program? Previous Question B.16 .5 0.5

Yes = .5 No = 0

SLR Notes:

No notifications were found in the IMP database that showed the ORS had not responded.

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12 Have the IMP Federal Protocol forms been uploaded to the IMDB? Previous Question B.17 .5 0.5

Yes = .5 No = 0

SLR Notes:

Five operators still need an IMP inspection performed. Three are landfill gas operators. All other IMP inspections have been uploaded.

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13 Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? Previous Question B.18 .5 0.5

Yes = .5 No = 0

SLR Notes:

The ORS covered the issue of plastic pipe failure data with its operators when the concern was brought to a national level some time ago. Vernon Gainey serves on the Plastic Pipe Database Committee and has a keen interest in plastic pipe failures.

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14 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:

The ORS added this question onto its inspection checklist some time ago. It is verified during standard inspections.

Accident/Incident Investigation Learning and Sharing Lessons Learned

15 Has state shared lessons learned from incidents/accidents? (i.e. NAPSR meetings and communications) .5 0.5

Yes = .5 No = 0

SLR Notes:

The ORS presented an update of its program at the NAPSR Southern Region Meeting held in April, 2010. The ORS included a topic on the incidents that occurred in South Carolina since the previous NAPSR Southern Region meeting.

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16 Does the State support data gathering efforts concerning accidents? (Frequency/Consequence/etc) .5 0.5

Yes = .5 No = 0

SLR Notes:

The ORS has participated in all data gathering efforts that it has received.

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17 Does state have incident/accident criteria for conducting root cause analysis? Info Only Info Only

Info Only = No Points

SLR Notes:

Not at this time.

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

Info Only = No Points

SLR Notes:

An incident requiring this in-depth technique did not occur in 2010.

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19 Has state participated on root cause analysis training? (can also be on wait list) .5 0.5

Yes = .5 No = 0

SLR Notes:

Yes, the ORS has met this requirement with two inspectors completing the training.

Transparency - Communication with Stakeholders

20 Other than pipeline safety seminar does State communicate with stakeholders? (Communicate program data, pub awareness, etc.) .5 0.5

Yes = .5 No = 0

SLR Notes:

Personal contact, telephonic, electronic and mass mailings. The ORS attends Utility Coordinating Committee (UCC) meetings. The ORS also attends the annual seminar for statewide UCC's.

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21 Does state share enforcement data with public? (Website, newsletters, docket access, etc.) .5 0.5

Yes = .5 No = 0

SLR Notes:

Any enforcement action sought by the ORS that results in a docketed case can be accessed by the public through a docket system on the Public Service Commission website to which the ORS has a link published on its website.

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22 Part G: General Comments/Regional Observations Info Only Info Only

Info Only = No Points

SLR Notes:

The ORS has generally complied with Part G requirements in this evaluation.

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 Activities and Participation, etc.) Yes = .5 No = 0	.5	0.5

SLR Notes:

Natural Gas System Operators were inspected, all issues found were discussed and resolved through established procedures, and Pipeline Safety activities were facilitated and recorded. Personal physical contact, written correspondence, and electronic communications were all utilized. This Program distributed educational materials promoting damage prevention to various stakeholder groups, assisted local groups of utility and contractor representatives through monthly meetings, obtained and utilized $10000 in One Call Grant funding, participated in the SC CGA Regional Partnership, continued to enhance relationship with UCC's, and continued to make efforts towards enhancing the working relationship with this office and our Operators.

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

SLR Notes:

Developed the risk ranking model in 2010. The ORS successfully received a one call grant to provide assistance to the Utility Coordinating Committees and educational items.

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

SLR Notes:

As of 2008, all cast iron distribution pipelines in South Carolina have been replaced. The ORS instituted a program with operators to replace Model 12 meter settings in South Carolina. The program is now complete.

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

SLR Notes:

Yes. The ORS responded to all surveys requested of the ORS.

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

SLR Notes:

The ORS interacts with other state programs through direct contact or in annual conferences sponsored by NAPSR. The ORS has shared information with other state programs on how it conducts its program.

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

SLR Notes:

The ORS has generally complied with Part H of this evaluation.

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? — 1 — 1

Yes = 1 No = 0

SLR Notes:

The ORS has completed the review of all operators' drug and alcohol testing programs and has followed up with reviews when Part 199 rules have been amended. No drug and alcohol plan inspections were conducted in 2010.

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2 Is the state verifying that operators are conducting the drug and alcohol tests required by the operators program (random, post-incident, etc.) — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

Operators records are reviewed during standard inspections to verify random drug testing rates exceed 25 percent. The ORS checks records of tests for cause or post incident tests of employees who may have been involved in an incident.

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3 Is the state verifying that any positive tests are responded to in accordance with the operator's program? — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

If positive results are shown in an operator's records, the ORS questions operators of the actions taken as a result of the positive test(s). The ORS compares the action taken with the process described in the operator's plan.

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

4 Has the state verified that operators have a written qualification program? — 1 — 1

Yes = 1 No = 0

SLR Notes:

The ORS has verified that all operators have OQ plans but has not completed inspections on a few OQ plans on recently identified operators.

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5 Has the state reviewed operator qualification programs for compliance with PHMSA rules and protocols? — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

The ORS utilized the protocol forms to inspect operators' OQ Plans. Protocol forms for OQ inspections have been uploaded into PHMSA's OQ database.

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6 Is the state verifying that persons who perform covered tasks for the operator are qualified in accordance with the operator's program? — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

The ORS reviews OQ Qualification records as a part of its standard inspections. The ORS reviews operators' records to verify that personnel performing covered tasks have achieved qualification requirements as outlined in the operators' OQ plan.

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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? — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

The ORS reviews OQ Qualification records as a part of its standard inspections. The ORS verifies that requalifications are performed within the timeframes established in the operator's OQ Plan.

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

8 Has the state verified that all operators with transmission pipelines have either adopted an integrity management program (IMP), or have properly determined that one is not required? — 1 — 1

Yes = 1 No = 0

SLR Notes:

The ORS has confirmed that gas transmission pipeline operators have integrity management plans. The ORS has completed IMP protocol inspections for all but five operators (three of which are landfill gas systems with no HCAs). The results of IMP inspection protocols have been uploaded for completed inspections.

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9 Has the state verified that in determining whether a plan is required, the operator correctly calculated the potential impact radii and properly applied the definition of a high consequence area? — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

The ORS uses and completes all information in the protocol forms while conducting its inspections of Integrity Management Plans. The protocol form covers this requirement.

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10 Has the state reviewed operator IMPs for compliance with Subpart O? (In accordance with State Inspection plan) .5 0.5

Yes = .5 No = 0

SLR Notes:

The ORS uses the Integrity Management Plan inspection protocols while conducting its IMP inspections. The protocol forms covers the requirements in Subpart O.

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11 Is the state monitoring operator progress on the inspections, tests and remedial actions required by the operator's IMP, including that they are being done in the manner and schedule called for in its IMP? .5 0.5

Yes = .5 No = 0

SLR Notes:

The ORS uses the Integrity Management Plan inspection protocols while conducting its IMP inspections. The protocol forms covers these requirements.

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12 Is the state verifying that operators are periodically examining their transmission line routes for the appearance of new HCAs? .5 0.5

Yes = .5 No = 0

SLR Notes:

The ORS uses the Integrity Management Plan inspection protocols while conducting its IMP inspections. The protocol forms covers this requirement.

Public Awareness (49 CFR Section 192.616)

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,6/13/08 for master meters) .5 0.5

Yes = .5 No = 0

SLR Notes:

The ORS partiicpated in the Public Awareness Clearinghouse review of operator's plans. The ORS verified that all operators submitted their Public Awareness Plans within the timeframe prescribed by the regulations.

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14 Has the state reviewed the content of these programs for compliance with 192.616 (by participating in the Clearinghouse or by other means)? .5 0.5

Yes = .5 No = 0

SLR Notes:

The ORS participated in the review conducted by the Public Awareness Clearinghouse. The ORS reviewed the results submitted by the Clearinghouse. The ORS followed up with operators on any deficiencies identified by the Clearinghouse.

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15 Is the state verifying that operators are conducting the public awareness activities called for in its program? .5 0.5

Yes = .5 No = 0

SLR Notes:

The ORS reviews an operator's activity records when conducting standard inspections.

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16 Is the state verifying that operators have evaluated their Public Awareness programs for effectiveness as described in RP1162? Info Only Info Only

Info Only = No Points

SLR Notes:

The ORS is waiting to receive the Public Awareness effectiveness training and the inspection form.

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17 Part I: General Comments/Regional Observations Info Only Info Only

Info Only = No Points

SLR Notes:

The ORS has generally complied with the requirements of Part I in this evaluation.

Total points scored for this section: 9

Total possible points for this section: 9