



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

1200 New Jersey Avenue SE  
Washington DC 20590

# 2011 Natural Gas State Program Evaluation

for

Office of Regulatory Staff of South Carolina

## Document Legend

### PART:

- O -- Representative Date and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- Program Performance
- D -- Compliance Activities
- E -- Incident Investigations
- F -- Damage Prevention
- G -- Field Inspections
- H -- Interstate Agent State (If Applicable)
- I -- 60106 Agreement State (If Applicable)



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

**State Agency:** South Carolina

**Agency Status:**

**Date of Visit:**

**Agency Representative:**

**PHMSA Representative:**

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

**Name/Title:**

**Agency:**

**Address:**

**City/State/Zip:**

**Rating:**

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

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**INSTRUCTIONS:**

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2011 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

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**Field Inspection (PART G):**

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

**Scoring Summary**

**PARTS**

**Possible Points    Points Scored**

A    Progress Report and Program Documentation Review  
B    Program Inspection Procedures  
C    Program Performance  
D    Compliance Activities  
E    Incident Investigations  
F    Damage Prevention  
G    Field Inspections  
H    Interstate Agent State (If Applicable)  
I    60106 Agreement State (If Applicable)

10            10  
15            15  
43            43  
14            14  
8             8  
8             8  
12            12  
0             0  
0             0

**TOTALS**

**110            110**

**State Rating .....**

**100.0**

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## PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- |   |   |   |   |
|---|---|---|---|
| 1 | Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1 (A1a)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

The ORS correctly entered the jurisdiction codes for each Operator Type on Attachment 1.

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

Evaluator Notes:

The inspection person days were taken from a spreadsheet that captured inspection person days spent on each operator's inspection units along with the type of inspection conducted.

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

Evaluator Notes:

Attachment 3 operator listing and inspection units totals matched the records kept in a spreadsheet. Pipeline Data Mart information also confirmed the operator listed except for one operator that had not completing the filing of an annual report.

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

Evaluator Notes:

The two reports on Attachment 4 matched the records in the ODES database for 2011.

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

Evaluator Notes:

Attachment 5 information matched the inspection report log which captures probable violations for each inspection report along with the status of corrective actions.

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

Evaluator Notes:

Records were organized and easy to access.

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

Evaluator Notes:

No inaccuracies were found with Attachment 7 information.

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

Evaluator Notes:

The ORS has automatic adoption of Parts 192, 193 and 199. The ORS accurately stated the progress of adopting Part 198.

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

Evaluator Notes:

The ORS did describe accomplishments related to work on implementing the Nine Elements of Damage Prevention. The ORS should add a discription of accomplishments related to meeting its inspection plan during the year.

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10 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

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

Question A.9 - The ORS should add a description of accomplishments related to meeting its inspection plan during the year.

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Total points scored for this section: 10

Total possible points for this section: 10



## PART B - Program Inspection Procedures

Points(MAX) Score

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

**Evaluator Notes:**

The ORS's Pipeline Safety Program Procedures state that the ORS will perform Pipeline Safety Compliance Inspections at each of the jurisdictional Operators' facilities at least once per calendar year. The procedures identify Standard Inspections as an inspection that can be conducted each year.

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

**Evaluator Notes:**

The ORS's Pipeline Safety Program Procedures state that the ORS will perform Pipeline Safety Compliance Inspections at each of the jurisdictional Operators' facilities at least once per calendar year. The procedures identify IMP Inspections as an inspection that can be conducted each year.

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

**Evaluator Notes:**

The ORS's Pipeline Safety Program Procedures state that the ORS will perform Pipeline Safety Compliance Inspections at each of the jurisdictional Operators' facilities at least once per calendar year. The procedures identify OQ Inspections as an inspection that can be conducted each year.

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

**Evaluator Notes:**

The ORS's Pipeline Safety Program Procedures state that the ORS will perform Pipeline Safety Compliance Inspections at each of the jurisdictional Operators' facilities at least once per calendar year. The procedures identify Damage Prevention Inspections as an inspection that can be conducted each year.

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

**Evaluator Notes:**

The ORS's Pipeline Safety Program Procedures state that the ORS will perform Pipeline Safety Compliance Inspections at each of the jurisdictional Operators' facilities at least once per calendar year. The procedures identify Operator Training as an activity that can be conducted each year.

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

**Evaluator Notes:**

The ORS's Pipeline Safety Program Procedures state that the ORS will perform Pipeline Safety Compliance Inspections at each of the jurisdictional Operators' facilities at least once per calendar year. The procedures identify Design, Testing and Construction Inspections as an inspection that can be conducted each year.

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

**Evaluator Notes:**

The procedures state that all reportable incidents are investigated. Those determined to be reportable under Federal reporting criteria will be subject to on-site investigation.

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

- |    |   |                                      |                          |   |
|----|---|--------------------------------------|--------------------------|---|
| a. | Length of time since last inspection  | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)   | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Type of activity being undertaken by operators (i.e. construction)  | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc)  | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. | Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| f. | Are inspection units broken down appropriately?   | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

The ORS Pipeline Safety Program Procedures state as follows:

To assist in determining a schedule of inspection activities with Operators, the following must be considered:

- Abnormal number of potential non-compliances historically found.
- Length of time since last inspection.
- Past leakage and/or incident history.
- 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.

Priority ranking for chronological order and frequency of inspections is established by the Risk Ranking and will also reflect other known factors. These include as follows:

- Significant percentage of Operator facilities located in metropolitan and/or highly populated areas.
- Significant number of Operator facilities located and operated within high concentrations of commercial/industrial areas.
- 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.
- Operators' damages to facilities per 1000 locate notifications.
- Other indicative factors as determined to be germane to optimum compliance and safe operation of each Gas Operator's system.

**9** General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

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

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

## PART C - Program Performance

Points(MAX) Score

- 1 Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 (A12) 5 5  
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):  
264.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
220 X 2.20 = 484.00

Ratio: A / B  
264.00 / 484.00 = 0.55

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

### Evaluator Notes:

Yes. The ORS achieved 264 inspection person days during 2011 with 2.2 person years. The resulting ratio was .55.

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines for requirements) Chapter 4.4 (A8-A11, G19) 5 5  
Yes = 5 No = 0 Needs Improvement = 1-4

- |    |  |                                      |                          |   |
|----|--|--------------------------------------|--------------------------|---|
| a. | Completion of Required OQ Training before conducting inspection as lead?                                     | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Root Cause Training by at least one inspector/program manager  | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Note any outside training completed  | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

### Evaluator Notes:

The ORS staff completed the mandatory training requirements within the five year time frame. Attended training at the SGA seminar and completed the annual ethics training.

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

### Evaluator Notes:

Mr. Gainey exhibited excellent knowledge of the pipeline safety program and safety regulations. Mr. Gainey has been in his program manager role since 2005.

- 4 Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 (A6-7) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

### Evaluator Notes:

The ORS response letter was mailed exactly 60 days after the received date stamped on the Chairman's letter. The ORS responded to the issues addressed in the Chairman's letter.

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

### Evaluator Notes:

The ORS held its last TQ seminar in August, 2011.

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

### Evaluator Notes:

The ORS inspected all operators and all units but one were inspected. The ORS prioritized the scheduling of operators inspected using its recently implemented risk ranking model.

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

The ORS uses the federal inspection forms while conducting all of its inspections.

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

All cast iron pipeline in South Carolina has been replaced.

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

All cast iron pipe has been replaced in South Carolina. The last cast iron pipe was replaced in 1996.

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

The ORS utilizes the federal standard inspection form. This form covers addresses leak procedures and covers this issue. Upon a review of randomly selected inspection forms the ORS had completed the portion of the form covering this issue.

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

The ORS utilizes the federal standard inspection form. This form covers addresses leak procedures and covers this issue. Upon a review of randomly selected inspection forms the ORS had completed the portion of the form covering this issue.

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

The ORS reviews all annual reports for accuracy and discrepancies. The ORS notifies operators when discrepancies are found. The ORS used to perform this review prior to the deadline filing but has not been able to do so since electronic filing of annual reports was initiated.

13	Did state input all applicable OQ, IMP inspection results into federal database in a timely manner? This includes replies to Operator notifications into IMDB database. Chapter 5.1 (G10-12) Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:

OQ - Upon a review of the OQ Database the ORS has entered the results of all initial OQ Plan inspections and several field protocol inspections. The ORS has not entered any OQ inspection results since June, 2010. The ORS reported one



inspection person day for OQ inspections during CY 2011. The ORS should review the inspection file to determine if results should be uploaded to the OQ database.

IMP - The ORS reported 13 intrastate transmission operators on its 2011 Progress Reports. Upon a review of the Gas IMP Database the ORS has uploaded the results of Gas IMP inspections of six operators. The ORS should review the Gas IMP inspection files of the remaining seven operators to determine if results should be uploaded. Even if no HCA's are found within an operator's system the ORS should still have completed the inspection protocols related to determining whether HCA's exist and how future determinations will be made.

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

Evaluator Notes:

The ORS has confirmed with operators their submission of the data and reviews changes with operators during standard inspections which is covered on the federal standard inspection form.

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- |           |  |   |   |
|-----------|--|---|---|
| <b>15</b> | Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199 (I1-3)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
- 

Evaluator Notes:

The ORS does schedule drug and alcohol plan inspections but did not conduct any plan inspections during 2011. The ORS does inspect testing rates and records during standard inspections.

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- |           |  |   |   |
|-----------|--|---|---|
| <b>16</b> | Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 192 Part N (I4-7)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
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Evaluator Notes:

The ORS conducts Protocol 9 inspections each year. Operator personnel performing covered tasks are observed and requalification records are reviewed.

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- |           |  |   |   |
|-----------|--|---|---|
| <b>17</b> | Is state verifying operator's gas transmission integrity management programs (IMP) are up to date? This should include a previous review of IMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart O (I8-12)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
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Evaluator Notes:

The ORS has completed the initial IMP inspections for all gas transmission operators except for one landfill gas system which became operational within the last year. The ORS will begin monitoring of records and tests as separate inspections within the year.

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- |           |   |           |           |
|-----------|---|-----------|-----------|
| <b>18</b> | Is state verifying operator's gas distribution integrity management Programs (DIMP)? This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart P<br>Info Only = No Points | Info Only | Info Only |
|-----------|---|-----------|-----------|
- 

Evaluator Notes:

The ORS has did not conduct any DIMP inspections during 2011. The ORS has scheduled DIMP inspections to be conducted during 2012.

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- |           |   |   |   |
|-----------|---|---|---|
| <b>19</b> | Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 192.616 (I13-16)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|
- 

Evaluator Notes:

The ORS participated in the Clearinghouse review of Public Awareness plans. The ORS plans to complete inspections of all operator's Public Awareness programs effectiveness reviews during 2012.

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- |           |   |   |   |
|-----------|---|---|---|
| <b>20</b> | Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public). (G20-21)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

The ORS has a pipeline safety web page on its website.

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

Evaluator Notes:

There were no Safety Related Condition Reports reported during 2011.

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

Evaluator Notes:

The ORS has requested operators to provide this information in the past. The ORS has encouraged operators to submit this information to the Plastic Pipe Database. Mr. Gainey served on the Plastic Pipe Database Committee.

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

Evaluator Notes:

There were no instances identified where the ORS did not participate.

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

Evaluator Notes:

The ORS generally complied with the requirements of Part C of this evaluation; however, the ORS should review the following issues:

OQ - Upon a review of the OQ Database the ORS has entered the results of all initial OQ Plan inspections and several field protocol inspections. The ORS has not entered any OQ inspection results since June, 2010. The ORS reported one inspection person day for OQ inspections during CY 2011. The ORS should review the inspection file to determine if results should be uploaded to the OQ database.

IMP - The ORS reported 13 intrastate transmission operators on its 2011 Progress Reports. Upon a review of the Gas IMP Database the ORS has uploaded the results of Gas IMP inspections of six operators. The ORS should review the Gas IMP inspection files of the remaining seven operators to determine if results should be uploaded. Even if no HCA's are found within an operator's system the ORS should still have completed the inspection protocols related to determining whether HCA's exist and how future determinations will be made.

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Total points scored for this section: 43  
Total possible points for this section: 43

## PART D - Compliance Activities

Points(MAX) Score

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

### Evaluator Notes:

The ORS provides the operator with a written non compliance letter stating the probable violations found during the inspections. The operator is given 30 days to provide a written response. If the operator does not dispute the violation then corrective action must be taken and communicated to the ORS. The ORS follows up with the operator and verifies the corrective action stated by the operator. The operator may also provided information that shows a probable violation may have not been committed. If agreed to by the ORS it will be considered corrected for grant reporting purposes. The ORS officially closes reports where all corrective actions have taken place or is cleared when operators provide supporting evidence that a violation did not occur.

- 2 Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1 (B11,B18,B19) 4 4  
Yes = 4 No = 0 Needs Improvement = 1-3
- a. Were compliance actions sent to company officer or manager/board member if municipal/government system? Yes ☒ No ☐ Needs Improvement ☐

### Evaluator Notes:

Upon a review of randomly selected CY2011 inspection report files all probable violations were documented on the inspection forms and compliance letters sent to the operator. The proper company officers of private company operators and/or managers of municipal operators were sent compliance letters. The ORS followed its procedures to determine if corrective actions were completed by the operators.

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

### Evaluator Notes:

Upon a review of randomly selected CY 2011 inspection report files, the ORS sent written compliance letters under the program manager's signature for inspection reports that resulted in probable violations being found.

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

### Evaluator Notes:

Yes. The ORS provides a 30 day response time for the operator to reply with a statement of the action taken to correct the probable violation, request additional time to correct or provide information that shows a violation was not committed. The operator has the option to request a show cause hearing to argue its case that a violation did not occur.

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

### Evaluator Notes:

Mr. Gainey is familiar with the show cause hearing process to impose a civil penalty on an operator. The ORS does not presently have a list of criteria to consider when determining if a civil penalty should be assessed. The ORS should develop a civil penalty assessment decision process that includes the criteria that will be considered in making such a decision. Repeat violations by an operator should be a criteria item considered.

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

Evaluator Notes:

The ORS has not issued a civil penalty in the form of a cash payment to the state treasury; however, the ORS has stipulated actions that an operator must take which does cause the operator to incur expense to do so.

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7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

The ORS has generally complied with the requirements of Part D of this evaluation. However, the ORS does not presently have a list of criteria to consider when determining if a civil penalty should be assessed. The ORS should develop a civil penalty assessment decision process that includes the criteria that will be considered in making such a decision. Repeat violations by an operator should be a criteria item considered.

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



## PART E - Incident Investigations

Points(MAX) Score

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

**Evaluator Notes:**

The ORS publishes a telephone list with contact numbers that can be reached 24 hours during each day of the year. Mr. Gainey is aware of the MOU in the Guidelines and how to cooperate with PHMSA during an incident.

- |          |   |   |   |
|----------|---|---|---|
| <b>2</b> | If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 (D4)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

**Evaluator Notes:**

There were two incidents reported during 2011. The ORS investigated both and found that the two incidents did not meet federal reporting requirements. Both operators agreed with the ORS's determination.

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

**Evaluator Notes:**

Upon a review of the two incidents report files all incidents were investigated in 2011. Both investigations concluded that the two incidents did not meet the reporting criteria in Part 191.

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

**Evaluator Notes:**

The two incidents reported were determined not to meet federal reporting requirements. The ORS did not find any violations on the part of the operators.

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

**Evaluator Notes:**

No issues identified with following up on operator incident reports.

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

**Evaluator Notes:**

Yes. The ORS shared its incidents during the 2011 NAPS Southern Region Meeting.

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

Info Only Info Only

Evaluator Notes:

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

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



## PART F - Damage Prevention

Points(MAX) Score

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

Evaluator Notes:

The ORS uses the federal standard inspection form. The federal form covers this item on the form.

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

Evaluator Notes:

The ORS uses the federal standard inspection form which has a section that covers damage prevention procedures and the requirements of 192.614.

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

Evaluator Notes:

UCC monthly meetings are attended on a regular basis and attend/present at the annual NC-SC Annual UCC Conference. Regional CGA is attended each quarter. Website and spoken words during inspection. Dig safe month icon placed on website.

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

Evaluator Notes:

Yes. The ORS is now collecting this information that is submitted on operator annual repots. Charting trends has been initiated but the number of years collected does not support a trending analysis at this time.

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

Evaluator Notes:

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

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

## PART G - Field Inspections

Points(MAX) Score

- 1 Operator, Inspector, Location, Date and PHMSA Representative Info OnlyInfo Only  
Info Only = No Points

Name of Operator Inspected:  
South Carolina Electric and Gas Company (SCE&G)  
Name of State Inspector(s) Observed:  
Michael Bunting  
Location of Inspection:  
Lexington, SC Operations Center  
Date of Inspection:  
May 9, 2012  
Name of PHMSA Representative:  
Don Martin

Evaluator Notes:

The inspection of SCE&G's Lexington, SC area is a standard distribution system inspection that began on May 9, 2012. The standard inspection will take multiple days to complete. During May 9th the ORS inspector inspected valve maintenance procedures, records and observed a SCE&G employee perform valve inspections on a random sample of critical valves. The ORS inspector also reviewed the OQ records for the employee that performed the valve inspections. SCE&G procedures state that if a cathodic test point is located at the valve being inspected the pipe to soil potential will be taken also. The ORS inspector observed the SCE&G employee take pipe to soil potentials at some of the valve locations.

- 2 Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (F2) 1 1  
Yes = 1 No = 0

Evaluator Notes:

The ORS inspector provided advanced notification of the inspection. Operator personnel were present during the inspection. The ORS inspector met with Randy Dangerfield, Manager of SCE&G Lexington Gas Operations to review valve inspection procedures and OQ records.

- 3 Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) (F3) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

A worksheet for valve maintenance was developed the ORS. The ORS inspector completed the worksheet for results of the day's inspection. The ORS inspector will transfer the results of his inspection onto the federal form.

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

Evaluator Notes:

Yes. The worksheet was completed for all valves and pipe to soil potentials taken during the day. Additional notes were added if abnormal issues were found.

- 5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps,pyrometer,soap spray,CGI,etc.) (F5) 1 1  
Yes = 1 No = 0

Evaluator Notes:

Yes. The ORS inspector checked that the proper valve wrenches, volt meter and half cell were present.

- 6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) (F7) 2 2  
Yes = 2 No = 0 Needs Improvement = 1
- a. Procedures ☒
  - b. Records ☒



- c. Field Activities ☒
- d. Other (please comment) ☐

Evaluator Notes:

No issues were identified with the items covered by the ORS inspector.

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

Evaluator Notes:

No issues were identified with the ORS inspector's knowledge of pipeline safety regulations.

- |   |  |   |   |
|---|--|---|---|
| 8 | Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) (F9)<br>Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

Yes. A brief discussion was conducted of the results of the inspection during May 9th.

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

Evaluator Notes:

The ORS inspector stated there were no probable violations found during the inspection.

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

- |    |                               |                                     |
|----|-------------------------------|-------------------------------------|
| a. | Abandonment                   | <input type="checkbox"/>            |
| b. | Abnormal Operations           | <input type="checkbox"/>            |
| c. | Break-Out Tanks               | <input type="checkbox"/>            |
| d. | Compressor or Pump Stations   | <input type="checkbox"/>            |
| e. | Change in Class Location      | <input type="checkbox"/>            |
| f. | Casings                       | <input type="checkbox"/>            |
| g. | Cathodic Protection           | <input checked="" type="checkbox"/> |
| h. | Cast-iron Replacement         | <input type="checkbox"/>            |
| i. | Damage Prevention             | <input type="checkbox"/>            |
| j. | Deactivation                  | <input type="checkbox"/>            |
| k. | Emergency Procedures          | <input type="checkbox"/>            |
| l. | Inspection of Right-of-Way    | <input type="checkbox"/>            |
| m. | Line Markers                  | <input type="checkbox"/>            |
| n. | Liaison with Public Officials | <input type="checkbox"/>            |
| o. | Leak Surveys                  | <input type="checkbox"/>            |
| p. | MOP                           | <input type="checkbox"/>            |
| q. | MAOP                          | <input type="checkbox"/>            |
| r. | Moving Pipe                   | <input type="checkbox"/>            |
| s. | New Construction              | <input type="checkbox"/>            |
| t. | Navigable Waterway Crossings  | <input type="checkbox"/>            |
| u. | Odorization                   | <input type="checkbox"/>            |
| v. | Overpressure Safety Devices   | <input type="checkbox"/>            |
| w. | Plastic Pipe Installation     | <input type="checkbox"/>            |
| x. | Public Education              | <input type="checkbox"/>            |
| y. | Purging                       | <input type="checkbox"/>            |

- |    |                                   |                                     |
|----|-----------------------------------|-------------------------------------|
| z. | Prevention of Accidental Ignition | <input type="checkbox"/>            |
| A. | Repairs                           | <input type="checkbox"/>            |
| B. | Signs                             | <input checked="" type="checkbox"/> |
| C. | Tapping                           | <input type="checkbox"/>            |
| D. | Valve Maintenance                 | <input checked="" type="checkbox"/> |
| E. | Vault Maintenance                 | <input type="checkbox"/>            |
| F. | Welding                           | <input type="checkbox"/>            |
| G. | OQ - Operator Qualification       | <input checked="" type="checkbox"/> |
| H. | Compliance Follow-up              | <input type="checkbox"/>            |
| I. | Atmospheric Corrosion             | <input type="checkbox"/>            |
| J. | Other                             | <input type="checkbox"/>            |

Evaluator Notes:

The items covered during valve maintenance inspection are checked above.

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



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

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

Evaluator Notes:

The ORS is not an interstate agent.

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

Evaluator Notes:

The ORS is not an interstate agent.

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

Evaluator Notes:

The ORS is not an interstate agent.

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

Evaluator Notes:

The ORS is not an interstate agent.

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

Evaluator Notes:

The ORS is not an interstate agent.

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

Evaluator Notes:

The ORS is not an interstate agent.

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

Evaluator Notes:

The ORS is not an interstate agent.

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

Evaluator Notes:

The ORS is not an interstate agent.

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

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

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

Evaluator Notes:

The ORS does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:

The ORS does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:

The ORS does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:

The ORS does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:

The ORS does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:

The ORS does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:

The ORS does not have a 60106 agreement with PHMSA.

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