



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

1200 New Jersey Avenue SE
Washington DC 20590

2013 Natural Gas State Program Evaluation

for

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)

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

State Agency: South Carolina

Agency Status:

Date of Visit: 05/13/2014 - 05/15/2014

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

Address: 1401 Main Street, Suite 900

City/State/Zip: Columbia, South Carolina 29201

Rating:

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

INSTRUCTIONS:

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

Field Inspection (PART G):

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

Scoring Summary

PARTS		Possible Points	Points Scored
A	Progress Report and Program Documentation Review	10	10
B	Program Inspection Procedures	15	15
C	Program Performance	41	41
D	Compliance Activities	15	15
E	Incident Investigations	4	4
F	Damage Prevention	8	8
G	Field Inspections	12	12
H	Interstate Agent State (If Applicable)	0	0
I	60106 Agreement State (If Applicable)	0	0
TOTALS		105	105
State Rating			100.0

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

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

The operator and unit counts were supported by the operator records kept by the ORS.

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

A log is maintained that contains inspection person days spent on each operator's inspection units along with the type of inspection conducted and the inspector completing the inspection. No issues were found with Attachment 2 information.

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

Attachment 3 operator listing and inspection units totals were consistent with the records kept by the ORS. The information also matched the operator information in the Pipeline Data Mart.

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

There were no reportable incidents in 2013 which matched the information in the Pipeline Data Mart.

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| 5 | Accuracy verification of Compliance Activities - Progress Report Attachment 5 (A1e)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

There were 26 probable violations found during 2013. No issues were found with the Compliance Activities entered into Attachment 5.

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

No issues were found with the organization of files including electronic files. All files listed on Attachment 6 were found.

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

All information was correct. Training information was downloaded from PHMSA T&Q Division database files.

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

No inaccuracies were found in Attachment 8.

- 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:

No issues identified with Attachment 10.

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.

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

PART B - Program Inspection Procedures

Points(MAX) Score

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|----------|--|---|---|
| 1 | Standard Inspections (B1a)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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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.

The ORS should revise its Program Procedures to state that a Standard Inspection will be completed for each operator at least once every five years to be consistent with the Guidelines For States Participating in the Pipeline Safety Program.

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| 2 | IMP Inspections (including DIMP) (B1b)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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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.

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| 3 | OQ Inspections (B1c)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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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.

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| 4 | Damage Prevention Inspections (B1d)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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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. Standard Inspections include 192.614 - Damage Prevention.

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| 5 | On-Site Operator Training (B1e)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

This can be one of the inspections conducted each year but it is performed on as needed basis.

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| 6 | Construction Inspections (B1f)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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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.

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| 7 | Incident/Accident Investigations (B1g)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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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.

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

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

Evaluator Notes:

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: a. Abnormal number of potential non-compliances historically found. b. Length of time since last inspection. c. Past leakage and/or incident history. d. Prior frequency and number of non-compliances observed, addressed, and documented. e. 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: a. Significant percentage of Operator facilities located in metropolitan and/or highly 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. d. Greater potential for facility damage in HCA's or other sensitive areas where these damages to a gas pipeline would probably cause major consequences. e. Operators' damages to facilities per 1000 locate notifications. f. 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:

Question B.1 - The ORS should revise its Program Procedures to state that a Standard Inspection will be completed for each operator at least once every five years to be consistent with the Guidelines For States Participating in the Pipeline Safety Program.

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**

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- 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):
505.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 3.20 = 704.00

Ratio: A / B
505.00 / 704.00 = 0.72

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

Evaluator Notes:

The ORS exceeded the minimum ratio with a ratio of 0.72.

- 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

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|----|--|--------------------------------------|--------------------------|---|
| 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:

All of the required "core" classes have been taken or the inspector is on schedule to complete in the required timeframe. All inspectors completed the DIMP course prior to conducting IMP and DIMP inspections in 2013. Root cause was completed by two inspectors.

- 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 requested and was granted an extension of the 60 day requirement. The ORS responded within a reasonable time related to the extension granted.

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

Evaluator Notes:

The last seminar was held in August, 2013.

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

Evaluator Notes:

All inspection units received an inspection in CY 2013. The ORS prioritized the scheduling of operators inspected using its recently implemented risk ranking model.

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| 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 comprehensive inspections (Standard) for distribution and transmission utilized the federal inspection forms. Focused inspections such as cathodic protection, overpressure protection; etc utilize forms created by the ORS. They cover requirements in the portion of the regulations that the inspection is focused upon.

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|----------|--|---|----|
| 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 | NA |
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Evaluator Notes:

All cast iron pipeline in South Carolina has been replaced.

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| 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.

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| 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.

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| 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.

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| 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. The ORS maintains a spreadsheet that illustrates the trends of certain information obtained from the annual reports and utilizes some information in its risk assessment model.

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| 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.

IMP - The ORS has completed all Gas Transmission IMP inspections. DIMP inspections are currently being conducted but technical difficulties have impacted the ORS's ability to upload the results. The ORS is in the process of working out the issues with PHMSA staff.

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| 14 | Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission? (G14)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

The ORS reviews this item at the beginning of each comprehensive inspection of a gas transmission operator.

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

Evaluator Notes:

The ORS has focused on Standard, Construction, IMP and DIMP inspections during 2013. The ORS did not conduct drug and alcohol inspections during 2013 as dictated by an assessment of risk. The ORS will continue drug and alcohol inspections in the future.

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

The ORS has conducted OQ plan inspections in the past but did not conduct any in 2013. The ORS does review OQ qualifications of operator personell when observing field testing in inspections including applicable tasks performed during construction inspections.

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

The ORS has completed the initial IMP inspections for all gas transmission operators except for three systems which became operational last year. The ORS reviews assessment records and if needed, any remedial actions taken by the operator(s). The ORS spent 15 inspection person days in 2013 on Integrity Management Inspections.

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| 18 | Is state verifying operator's gas distribution integrity management Programs (DIMP)? This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart P
DIMP ? First round of program inspections should be complete by December 2014

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

The ORS has made progress in completing DIMP inspections. The ORS is making DIMP inspections a priority in 2014 with the goal of completing them by the end of 2014.

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| 19 | Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 192.616 (I13-16) PAPEI Effectiveness Inspections should be complete by December 2013 | 2 | 2 |
|----|---|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

The ORS completed Public Awareness Program Effectiveness inspections for all operators except one by the end of 2013. The exception was an operator of a facility that had requested a determination from PHMSA that the system was subject pipeline safety laws and regulations. After affirmation that it was jurisdictional a PAPEI was completed.

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

Evaluator Notes:

The ORS utilizes a pipeline safety web page on its website to communicate with stakeholders. It contains information on the ORS inspection and enforcement activity.

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

Evaluator Notes:

There were no safety related condition reports filed by an operator during 2013.

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

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.

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

Evaluator Notes:

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

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| 24 | If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate. | Info Only | Info Only |
|----|---|-----------|-----------|

Info Only = No Points

Evaluator Notes:

No issues identified.

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

Evaluator Notes:

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

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

PART D - Compliance Activities**Points(MAX) Score**

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

Evaluator Notes:

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.

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

Evaluator Notes:

Upon a review of randomly selected CY2013 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.

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

Upon a review of randomly selected CY 2013 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.

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

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.

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

Evaluator Notes:

The Program Manager is familiar with the show cause hearing process to impose a civil penalty on an operator. The ORS must petition the South Carolina Public Service Commission, seperate agency, for a Show Cause Hearing. The following is an excerpt from the ORS's PROCEDURES AND GUIDELINES FOR THE PIPELINE SAFETY PROGRAM:

16. ORS may pursue a civil penalty pursuant to S.C. Code Ann. 58-5-1030 (a) and (b) (Supp. 2012). "In determining the amount of the penalty, or the amount agreed upon in compromise, the appropriateness of the penalty to the size of the business of the person charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance, after notification of a violation, must be considered. The amount of the penalty when finally determined, or the amount agreed upon in compromise, may be recovered in a civil action in the court of common pleas."

6 Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations? 1 1

Yes = 1 No = 0 Needs Improvement = .5

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. In order to pursue a civil penalty through the South Carolina Public Service Commission the ORS weighs the gravity of the probable violation. In recent history the ORS has not documented a probable violation that was greivous enough to pursue a civil penalty. Several of the 26 probable violations found during 2013 were associated with Public Awareness Effectiveness and DIMP inspections which were more appropriately addressed by requiring changes to plans.

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.

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

PART E - Incident Investigations

Points(MAX) Score

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

Evaluator Notes:

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 Appendices of the Guidelines and the cooperation that is expected between a state program and PHMSA.

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

Evaluator Notes:

There were no incidents reported during CY 2013.

- | | | | |
|----------|--|--------------------------------------|--|
| 3 | Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? (D5)
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | NA |
| 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:

There were no incidents reported during CY 2013.

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

Evaluator Notes:

There were no incidents reported during CY 2013.

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

Evaluator Notes:

There were no issues or concerns expressed by PHMSA's Southern Region Office.

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

Evaluator Notes:

The ORS has shared information regarding incidents in South Carolina at NAPS Region meetings in the past.

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

Evaluator Notes:

There were no incidents reported during CY 2013. The ORS has generally complied with Part E of this evaluation.

Total points scored for this section: 4
Total possible points for this section: 4

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)
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.

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

Evaluator Notes:

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

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

Evaluator Notes:

UCC monthly meetings are attended on a regular basis and attend/present at the annual NC-SC Annual UCC Conference. Website and verbal communication during inspection.

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

Evaluator Notes:

The ORS has collected this information that is submitted on operator annual repots. The information is transferred into a spreadsheet with data for each operator. The information is reviewed for increases or decreases. The information is utilized in the risk ranking program for operators.

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| 5 | General Comments:
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 Only = No Points | Info OnlyInfo Only |
|----------|---|--------------------|

Name of Operator Inspected:
South Carolina Electric and Gas (SCE&G)
Name of State Inspector(s) Observed:
Johnny Eustace
Location of Inspection:
Fulmer Road in Blythewood, SC
Date of Inspection:
5/14/2014
Name of PHMSA Representative:
Don Martin

Evaluator Notes:

The ORS inspector conducted a construction inspection on a 6 inch PE main being installed to provide a dual feed on a distribution system. Foremost Construction is the primary contractor for SCE&G. The ORS inspector interfaced with SCE&G's inspector, Warren Hyley. Activity on this day included excavating a pipeline trench, butt fusion of PE joints and horizontal drilling of a creek crossing.

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

Evaluator Notes:

Yes. SCE&G was notified two weeks prior to the inspection on this day. Previous inspections have also occurred. SCE&G provided its construction inspector for the inspection.

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

Evaluator Notes:

Yes. The ORS inspector utilized the ORS's construction inspection form for distribution systems.

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

Evaluator Notes:

Yes. The form was completed for the day's observations of the construction activities.

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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.) (F5)
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

Yes. No issues with this requirement.

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|----------|---|---|-------------------------------------|
| 6 | Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) (F7)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
| | a. Procedures | | <input checked="" type="checkbox"/> |
| | b. Records | | <input checked="" type="checkbox"/> |
| | c. Field Activities | | <input checked="" type="checkbox"/> |
| | d. Other (please comment) | | <input type="checkbox"/> |

Evaluator Notes:

Construction procedures, Qualification Records, PE fusion, condition of joined PE pipe strung along route was reviewed.

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

Yes. Mr. Eustace has completed four of the core classes and PHMSA's TQ facility. Mr. Eustace was a construction foreman for a municipal operator prior to his employment with the ORS. He has a wealth of distribution main and service line construction knowledge along the regulatory requirements. He was a qualified welder with the municipal operator.

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

Yes.

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

He notified the operator that no probable violations were found this day. He suggested a revision be made in the operator's construction manual that would add specificity to procedures that protects against possible damage to existing pipelines when using trenchless excavation methods.

10	General Comments: What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) Other. Info Only = No Points	Info Only	Info Only
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- | | | |
|----|-----------------------------------|-------------------------------------|
| a. | Abandonment | <input type="checkbox"/> |
| b. | Abnormal Operations | <input checked="" type="checkbox"/> |
| c. | Break-Out Tanks | <input type="checkbox"/> |
| d. | Compressor or Pump Stations | <input type="checkbox"/> |
| e. | Change in Class Location | <input type="checkbox"/> |
| f. | Casings | <input type="checkbox"/> |
| g. | Cathodic Protection | <input type="checkbox"/> |
| h. | Cast-iron Replacement | <input type="checkbox"/> |
| i. | Damage Prevention | <input checked="" type="checkbox"/> |
| j. | Deactivation | <input type="checkbox"/> |
| k. | Emergency Procedures | <input type="checkbox"/> |
| l. | Inspection of Right-of-Way | <input checked="" type="checkbox"/> |
| m. | Line Markers | <input checked="" type="checkbox"/> |
| n. | Liaison with Public Officials | <input type="checkbox"/> |
| o. | Leak Surveys | <input type="checkbox"/> |
| p. | MOP | <input type="checkbox"/> |
| q. | MAOP | <input checked="" type="checkbox"/> |
| r. | Moving Pipe | <input type="checkbox"/> |
| s. | New Construction | <input checked="" type="checkbox"/> |
| t. | Navigable Waterway Crossings | <input type="checkbox"/> |
| u. | Odorization | <input checked="" type="checkbox"/> |
| v. | Overpressure Safety Devices | <input type="checkbox"/> |
| w. | Plastic Pipe Installation | <input checked="" 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 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 checked="" type="checkbox"/>

Evaluator Notes:

The ORS inspector was very thorough and covered all aspects of the construction activity on the pipeline. He covered the requirements for butt fusion of PE pipe depicted by Other being checked above.

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

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

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

Evaluator Notes:

The ORS is not an interstate agent.

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

Evaluator Notes:

The ORS is not an interstate agent.

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

The ORS is not an interstate agent.

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

The ORS is not an interstate agent.

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

Evaluator Notes:

The ORS is not an interstate agent.

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

Evaluator Notes:

The ORS is not an interstate agent.

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

The ORS is not an interstate agent.

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

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

Evaluator Notes:

The ORS does not have a 60106(a) agreement with PHMSA.

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

The ORS does not have a 60106(a) agreement with PHMSA.

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

The ORS does not have a 60106(a) agreement with PHMSA.

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

The ORS does not have a 60106(a) agreement with PHMSA.

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

The ORS does not have a 60106(a) agreement with PHMSA.

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

The ORS does not have a 60106(a) agreement with PHMSA.

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

Evaluator Notes:

The ORS does not have a 60106(a) agreement with PHMSA.

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