



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

1200 New Jersey Avenue SE
Washington DC 20590

2009 Natural Gas State Program Evaluation

for

Puerto Rico Public Service Commission

Document Legend

PART:

- O -- Representative Date and Title Information
- A -- General Program Qualifications
- B -- Inspections and Compliance - Procedures/Records/Performance
- C -- Interstate Agent States
- D -- Incident Investigations
- E -- Damage Prevention Initiatives
- F -- Field Inspection
- G -- PHMSA Initiatives - Strategic Plan
- H -- Miscellaneous
- I -- Program Initiatives

2009 Natural Gas State Program Evaluation -- CY 2009
Natural Gas

State Agency: Puerto Rico

Agency Status:

Date of Visit: 06/09/2010 - 06/11/2010

Agency Representative: Andres Torres, Director of Pipeline Safety, Puerto Rico Public Service Commission
Alice Velazquez, Legal Counsel, Carlos Gonzales, Inspector and Carlos Charneco, Inspector

Rating:

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

CSP's PO Box address is:

PO Box 190870

San Juan, PR 00919-0870

PHMSA Representative: Glynn Blanton, PHMSA State Programs

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

Name/Title: Maria T. Fullana Hernandez, El Presidente

Agency: Puerto Rico Public Service Commission

Address: Avenida Munoz Rivera #50

City/State/Zip: Hato Rey, Puerto Rico 00926

INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2009 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual certification/agreement attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART F):

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

Scoring Summary

PARTS

Possible Points Points Scored

A	General Program Qualifications	25	19
B	Inspections and Compliance - Procedures/Records/Performance	24	21
C	Interstate Agent States	0	0
D	Incident Investigations	2.5	2.5
E	Damage Prevention Initiatives	9	9
F	Field Inspection	12	12
G	PHMSA Initiatives - Strategic Plan	7	3.5
H	Miscellaneous	3	2.5
I	Program Initiatives	6	6

TOTALS **88.5** **75.5**

State Rating **85.3**

PART A - General Program Qualifications

Points(MAX) Score

- | | | | |
|----------|--|-------------------------------------|---|
| 1 | Did the state submit complete and accurate information on the attachments to its most current 60105(a) Certification/60106 (a) Agreement? (NOTE: PHMSA Representative to verify certification/agreement attachments by reviewing appropriate state documentation. Score a deficiency in any one area as "needs improvement". Attachment numbers appear in parenthesis) Previous Question A.1, Items a-h worth 1 point each
Yes = 8 No = 0 Needs Minor Improvement = 3-7 Needs Major Improvement = 2 | 8 | 4 |
| <hr/> | | | |
| a. | State Jurisdiction and agent status over gas facilities (1) | <input checked="" type="checkbox"/> | |
| b. | Total state inspection activity (2) | <input type="checkbox"/> | |
| c. | Gas facilities subject to state safety jurisdiction (3) | <input checked="" type="checkbox"/> | |
| d. | Gas pipeline incidents (4) | <input checked="" type="checkbox"/> | |
| e. | State compliance actions (5) | <input type="checkbox"/> | |
| f. | State record maintenance and reporting (6) | <input type="checkbox"/> | |
| g. | State employees directly involved in the gas pipeline safety program (7) | <input checked="" type="checkbox"/> | |
| h. | State compliance with Federal requirements (8) | <input type="checkbox"/> | |

SLR Notes:

A four point reduction is being assessed due to failure to maintain accurate and complete records on the number of state inspection activities, compliance action taken against operators for non-compliance and recording information into the certification document correctly. A review office records supporting the number of violations cited as zero in calendar year 2009 attachment 5, found several violations that were cited against operators but not reported. The agency continues to lag in the adoption of Part 192 amendments pertaining to the pipeline safety regulations. In this regard, several amendments are more than three years past the effective date of adoption. As noted in the 2008 state evaluation review several inspections were not counted and recorded correctly into the 2009 certification document and the agency was requested to recount the number of probable violations and compliance actions taken. This action has not been performed.

- | | | | |
|----------|---|---|---|
| 2 | Did the state have an adequate mechanism to receive operator reporting of incidents to ensure state compliance with 60105(a) Certification/60106(a) Agreement requirements (fatality, injury requiring hospitalization, property damage exceeding \$50,000 - Mechanism should include receiving "after hours" reports)? (Chapter 6) Previous Question A.2
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

Yes, the agency requires all operators to call 911 when an incident occurs and report their findings. All calls to 911 are received by the Puerto Rico One Call center who notifies the pipeline safety staff members. All operators are required to file a written notification with the agency after the telephone notice is completed. No reportable incidents occurred in 2009.

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

SLR Notes:

The last safety seminar was held in April, 2008. Andres Torres, Director Pipeline Safety will be making an application for a T&Q seminar to be scheduled in 2011. The seminar will be an update on the pipeline safety regulations.

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

SLR Notes:

Yes. Paper documents showing the inspections performed by staff members on the operators facilities was located outside the Director's office in locked and secure file cabinets. A review of the documents found file folders to be neat and well organized by system name and date. However, electronic files previously maintained by the program manager on inspections performed was missing on the laptop computer provided by PHMSA.

- | | | | |
|----------|---|---|---|
| 5 | Did state records and discussions with the state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? (Chapter 4.1, Chapter 8.1) Previous Question A.6
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
|----------|---|---|---|

SLR Notes:

Mr. Andres Torres was appointed Director Pipeline Safety on March 10, 2010. Mr. Torres came to the Puerto Rico PSC in 1995 and has served in several different positions with the agency. His work in pipeline safety began in 2006 when he was transferred into the division as a gas pipeline inspector. He received a Masters Degree in Criminal Justice in 1995 and currently seeking his PHD in this field of study from American University of Puerto Rico. Mr. Torres has attended the PL1250 course at T&Q in 2007. A one point reduction is being assessed due to Mr. Torres limited knowledge on the Guidelines For States Participating in the Pipeline Safety Program; understanding of the State Agency's pipeline safety program inspection and enforcement procedures as they apply to all operators; and his skills on annual document submissions for the pipeline safety grant application, certification and year end payment request.

- 6 Did the state respond in writing within 60 days to the requested items in the Chairman's letter following the Region's last program evaluation? (No response is necessary if no items are requested in letter and mark "Yes") (Chapter 8.1) Previous Question A.8 1 1
Yes = 1 No = 0

SLR Notes:

There were no issues in the 2009 Chairman's letter that required a response by the agency.

- 7 What actions, if necessary, did the State initiate as a result of issues raised in the Chairperson's letter from the previous year? Did actions correct or address deficiencies from previous year's evaluation? (No response is necessary if no items are requested in letter and mark "Yes") (Chapter 8.1) Previous Question A.8/A.9 1 1
Yes = 1 No = 0

SLR Notes:

There were no issues mentioned in the Chairman's letter that required the agency to take action.

Personnel and Qualifications

- 8 Has each inspector fulfilled the 3 year TQ training requirement? If No, has the state been granted a waiver regarding TQ courses by the Associate Administrator for Pipeline Safety? (NOTE: If the State has new inspectors who have not attended all TQ courses, but are in a program which will achieve the completion of all applicable courses within 3 years of taking first course (5 years to successfully complete), or if a waiver has been granted by the applicable Region Director for the state, please answer yes.) (Chapter 4.4) Previous Question A.10 3 3
Yes = 3 No = 0

SLR Notes:

The three and five year training requirement for one inspector will end in 2010 due to not scheduling this requirement when he was assigned to the division. The agency may consider submitting a waiver from training requirement by a petition to PHMSA Southern Region Director to prevent the loss of future points on the annual state program evaluation. Two newly appointed inspectors are waitlist to attend the PL1250 course being held in October, 2010. A high priority to complete this training course before performing gas safety inspections would increase their knowledge and skills and prepare them for future training courses.

- 9 Brief Description of Non-TQ training Activities: Info Only Info Only
Info Only = No Points
For State Personnel:
No inside or outside training was provided to the Puerto Rico Public Service Commission staff members during calendar year 2009.
For Operators:
The Puerto Rico Public Service Commission pipeline safety staff did not provide training to operators during calendar year 2009.
For Non-Operator Entities/Parties, Information Dissemination, Public Meetings:
Staff members did not attend or participate in public meetings in 2009.

SLR Notes:

- 10 Did the lead inspectors complete all required T&Q OQ courses and Computer Based Training (CBT) before conducting OQ Inspections? (Chapter 4.4.1) Previous Question A.12 1 0
Yes = 1 No = 0

SLR Notes:

No, the lead inspector has not completed all required T&Q OQ courses and Computer based training course PL3OQ performing conducting OQ inspections.

- 11 Did the lead inspectors complete all required TQ Integrity Management (IMP) Courses/Seminars and CBT before conducting IMP Inspections? (Chapter 4.4.1) Previous Question A.13 1 NA
Yes = 1 No = 0

SLR Notes:

This question is not applicable because the Commonwealth of Puerto Rico has no gas transmission pipelines.

- 12 Was the ratio acceptable of Total inspection Person-days to Total Person-days charged to the program by state inspectors? (Region Director may modify points for just cause) (Chapter 4.3) Previous Question B.12 5 5
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):

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

Ratio: A / B

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

SLR Notes:

Yes, the number of inspection person days to total person days was barely over the minimum amount required by the Guidelines for States Participation in the Pipeline Safety Program. The five point award was granted. The 2010 Gas Pipeline Safety Certification attachment 7 document listed Hector Torres at 30% and Andres Torres at 50% of their time performing inspections in the pipeline safety program.

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

SLR Notes:

Yes, in December, 2009 Hector Torres resigned from the Puerto Rico Public Service Commission (PR PSC). During the first quarter of 2010, Erick Riveria was acting Director Pipeline Safety until March 10, 2010 when PR PSC Chairman Maria Fullana appointed Andres Torres to Director Pipeline Safety. The agency is considering moving two inspectors into the pipeline safety division as full time employees from another division. The inspectors will be full time in the program and responsible for performing all gas safety inspections on operators under their jurisdiction.

14 Part-A General Comments/Regional Observations Info Only Info Only
Info Only = No Points

SLR Notes:

See SLR Notes on questions A.1 & A.5

Total points scored for this section: 19
Total possible points for this section: 25



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

Points(MAX) Score

Inspection Procedures

- 1** Does the State have a written inspection plan to complete the following? (all types of operators including LNG) 6.5 6.5
(Chapter 5.1) Previous Question B.1 + Chapter 5 Changes + Incorporate LNG
Yes = 6.5 No = 0 Needs Improvement = 50% Deduction
- | | | | | |
|---|---|--------------------------------------|--------------------------|---|
| a | Standard Inspections (Including LNG) (Max points = 2) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b | IMP Inspections (Including DIMP) (Max points = .5) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c | OQ Inspections (Max points = .5) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d | Damage Prevention (Max points = .5) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e | On-Site Operator Training (Max points = .5) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| f | Construction Inspections (Max points = .5) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| g | Incident/Accident Investigations (Max points = 1) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| h | Compliance Follow-up (Max points = 1) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

SLR Notes:

The Director, Pipeline Safety Program stated they inspect all operators annually. They use the federal inspection forms for all standard inspections which include OQ Protocol 9, Damage Prevention and Drug and Alcohol testing. Because there are no natural gas transmission pipelines in Puerto Rico, IMP inspections are not conducted. All incident, construction, training and other relative inspections are performed on an as need routine.

- 2** Did the written Procedures for selecting operators adequately address key concerns? (Chapter 5.1) Previous Question B.2, items a-d are worth .5 point each 2 1
Yes = 2 No = 0 Needs Improvement = 50% Deduction
- | | | | | |
|---|--|--------------------------------------|--------------------------|---|
| a | Length of time since last inspection | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b | History of Operator/unit and/or location (including leakage , incident and compliance history) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c | Type of activity being undertaken by operator (construction etc) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d | For large operators, rotation of locations inspected | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

SLR Notes:

The Director, Pipeline Safety Program stated they inspect all operators annually. However, a written procedure describing the selection of the operator by length of time since last inspected, history of operator unit(s), type of activity being undertaken by the operator and size of their service area has not been developed. Therefore, a one point reduction is being assessed due to not having a written plan pertaining to this requirement.

Inspection Performance

- 3** Did the state inspect all types of operators and inspection units in accordance with time intervals established in its written procedures? (Chapter 5.1) Previous Question B.3 2 2
Yes = 2 No = 0

SLR Notes:

Yes, a review of the PR 2010 Natural Gas Certification attachment 1 indicated all natural gas facilities under their jurisdiction were inspected during calendar year 2009.

- 4** Did the state inspection form cover all applicable code requirements addressed on the Federal Inspection forms? (Chapter 5.1 (3)) Previous Question B.4 1 1
Yes = 1 No = 0

SLR Notes:

Yes, the Puerto Rico Public Service Commission's pipeline safety program utilizes the federal forms for all standard, OQ and construction inspections..

- 5** Did state complete all applicable portions of inspection forms? (Chapter 5.1 (3)) Previous Question B.5 1 1
Yes = 1 No = 0

SLR Notes:

Yes, a review of several inspection documents located in the file cabinets indicated all forms were complete. The satisfactory, unsatisfactory, not applicable and non compliance columns were checked where it was required.

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

Yes = .5 No = 0

SLR Notes:

NA. Verification from PHMSA Southern Region office and discussion with Director Pipeline Safety indicated no Safety Related Condition Reports were filed during 2009.

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|----------|---|-----------------|----|
| 7 | Did the state review operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken? (NTSB) Previous Question B.7 | .5 | NA |
| | | Yes = .5 No = 0 | |

SLR Notes:

No cast iron mains or service lines are located in Puerto Rico.

- | | | | |
|----------|--|-----------------|----|
| 8 | Did the state review operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance) (NTSB) Previous Question B.8 | .5 | .5 |
| | | Yes = .5 No = 0 | |

SLR Notes:

PR PSC does review operator's procedures during the inspection but Puerto Rico does not have cast iron mains or service lines.

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|----------|---|-----------------|----|
| 9 | Did the state review operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21? (NTSB) Previous Question B.9 | .5 | .5 |
| | | Yes = .5 No = 0 | |

SLR Notes:

Yes, PR PSC staff members review all leak repairs and leakage survey reports during each inspection to insure the operator has repaired, downgraded, or scheduled the leak for repair.

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|-----------|--|----------------|---|
| 10 | Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 192.617? (NTSB) Previous Question B.10 | 1 | 1 |
| | | Yes = 1 No = 0 | |

SLR Notes:

Yes, PR PSC does review leak repair documents to verify the operator has taken steps to eliminate the leak and make repairs.

Compliance - 60105(a) States

- | | | | |
|-----------|---|---------------------------------------|----|
| 11 | Did the state adequately document sufficient information on probable violations? (Chapter 5.2) Previous Question B.14 | 1 | .5 |
| | | Yes = 1 No = 0 Needs Improvement = .5 | |

SLR Notes:

Yes, PR PSC on the federal form did indicated the area of non-compliance but additional information is needed in the comment column and in the letter to the operator about the reason for non-compliance with the pipeline safety regulations.

- | | | | |
|-----------|---|---------------------------------------|---|
| 12 | Does the state have written procedures to identify the steps to be taken from the discovery to the resolution of a probable violation as specified in the "Guidelines for State Participating in the Pipeline Safety Program"? (Chapter 5.1) Previous Question D(1).1 | 1 | 1 |
| | | Yes = 1 No = 0 Needs Improvement = .5 | |

SLR Notes:

Yes, the PR PSC procedures and letter to the operator states the operator has sixty days to either correct the violation or respond in writing to the agency. The operator may request additional time to correct the violation if justification is provided in the letter. Additional steps, show cause hearing' will be taken by PR PSC if the operator does not take action to correct the violation.

- | | | | |
|-----------|---|---------------------------------------|---|
| 13 | Does the state have written procedures to notify an operator when a noncompliance is identified as specified in the "Guidelines for States Participating in the Pipeline Safety Program"? (Chapter 5.1(4)) Previous Question D(1).2 | 1 | 1 |
| | | Yes = 1 No = 0 Needs Improvement = .5 | |

SLR Notes:

Yes, the PR PSC procedures address this requirement. A verbal notice at the end of the inspection visit and a written letter to the operator is described in the procedures.

- 14** Does the state have a written procedure for routinely reviewing the progress of compliance actions to prevent delays or breakdowns of the enforcement process, as required by the "Guidelines for States Participating in the Pipeline Safety Program"? (Chapter 5.1(5)) Previous Question D(1).3 1 0
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

No. The previous program manager had a spreadsheet on a laptop computer he used to record and monitor the scheduling of inspections to be performed. Neither the spreadsheet nor software to routinely review the progress of compliance action or scheduling of inspections could be located. A reduction of 1.0 point is being assessed due to not having a written plan or spreadsheet to meet this requirement.

- 15** Has the State issued compliance actions for all probable violations discovered? (Note : PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation) Previous Question D(1).4 1 1
Yes = 1 No = 0

SLR Notes:

A review of 2010 Gas Safety Certification attachment 5 and discuss with Director Pipeline Safety no violations were issued in calendar year 2009.

- 16** Did the state follow its written procedures for reviewing compliance actions and follow-up to determine that prompt corrective actions were taken by operators, within the time frames established by the procedures and compliance correspondence, as required by the "Guidelines for States Participating in the Pipeline Safety Program"? Previous Question D(1).5 1 1
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Yes, based on a review of several inspection reports and letters it appears they are meeting this requirement. A follow-up inspection is performed on the operators found to be in non-compliance to monitor their progress.

- 17** If compliance could not be established by other means, did state pipeline safety program staff request formal action, such as a "Show Cause Hearing" to correct pipeline safety violations? (check each states enforcement procedures) Previous Question D(1).6 1 1
No = 0 Yes = 1

SLR Notes:

The PR PSC did not conduct or issue a show cause hearing against an operator during calendar year 2009.

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

SLR Notes:

The PR PSC is working on the development of a database program that will address the resolution of probable violations with a reporting closure date and summary. The Director Pipeline Safety has established a list to monitor the probable violations during this interim period.

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

SLR Notes:

Yes, a review of inspection reports and letters in the file cabinet indicated all correspondence to the operator was being sent to the company officer.

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

SLR Notes:

Yes, PR PSC rules and regulations apply the operator to respond to the area(s) of probable violation requesting additional time to correct the violation or ask for a show cause hearing before the Commission.

Compliance - 60106(a) States

- 21** Did the state use the current federal inspection form(s)? Previous Question D(2).1 1 NA
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

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

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

23	Were any probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) Previous Question D(2).3	1	NA
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Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

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

SLR Notes:

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

SLR Notes:

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

SLR Notes:

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

SLR Notes:

See SLR notes pertaining to questions 2 & 14.

Total points scored for this section: 21
Total possible points for this section: 24



PART C - Interstate Agent States

Points(MAX) Score

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

SLR Notes:

The Puerto Rico Public Service Commission is not an interstate agent for PHMSA.

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

SLR Notes:

The Puerto Rico Public Service Commission is not an interstate agent for PHMSA.

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

SLR Notes:

The Puerto Rico Public Service Commission is not an interstate agent for PHMSA.

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|----------|---|---|----|
| 4 | Were any probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) Previous Question D(3).4
Yes = 1 No = 0 | 1 | NA |
|----------|---|---|----|

SLR Notes:

The Puerto Rico Public Service Commission is not an interstate agent for PHMSA.

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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? Previous Question D(3).5
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

SLR Notes:

The Puerto Rico Public Service Commission is not an interstate agent for PHMSA.

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

SLR Notes:

The Puerto Rico Public Service Commission is not an interstate agent for PHMSA.

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

SLR Notes:

The Puerto Rico Public Service Commission is not an interstate agent for PHMSA.

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

SLR Notes:

Part C of this form is not applicable. The Puerto Rico Public Service Commission is not an interstate agent for PHMSA.

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

PART D - Incident Investigations

Points(MAX) Score

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

SLR Notes:

Yes, the Director Pipeline Safety is aware of the cooperative agreement between PHMSA and his agency on incident response and investigation. In calendar year 2009, no incidents occurred that would require cooperation between the PR PSC and PHMSA.

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

SLR Notes:

Yes, the Director Pipeline Safety is aware of this document and memorandum of understanding in who would be the lead investigator in the accident investigation.

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

SLR Notes:

In calendar year 2009, no reportable incidents occurred or notifications were made to their agency. PR PSC is notified by when an incident occurs by the One Call Center or operator.

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

SLR Notes:

No incidents occurred in calendar year 2009. However, all reportable incidents are investigated and information obtained from the operator as probable cause of the incident.

- | | | | |
|----------|---|---------------------------|--|
| 5 | Were investigations thorough and conclusions and recommendations documented in an acceptable manner? Previous Question E.5, comprehensive question worth 2 points total
Yes = 2 No = 0 Needs Improvement = 1 | 2 | NA |
| a. | Observations and Document Review | Yes <input type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Contributing Factors | Yes <input type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Recommendations to prevent recurrences where appropriate | Yes <input type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

SLR Notes:

No incidents occurred or listed in ODES for calendar year 2009. Therefore, these questions are not applicable.

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

SLR Notes:

There were no incidents reported during 2009. This question is not applicable.

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

SLR Notes:

There were no incidents reported during 2009. This question is not applicable.

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

SLR Notes:

No incidents occurred in calendar year 2009. Some point awards were given based on the response and knowledge of who is responsible for the investigation of an incident as it applies to NTSB and PHMSA.

Total points scored for this section: 2.5
Total possible points for this section: 2.5



PART E - Damage Prevention Initiatives

Points(MAX) Score

- | | | | |
|----------|--|---|---|
| 1 | Has the state reviewed directional drilling/boring procedures of each pipeline operator or its contractor to determine if they include actions to protect their facilities from the dangers posed by drilling and other trench less technologies? Previous Question B.11
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

SLR Notes:

Yes, PR PSC staff members during the standard inspection check the operator's procedures to determine if directional drilling/boring procedures are provided in the document to protect their facilities.

- | | | | |
|----------|--|---|---|
| 2 | Did the state inspector check to assure the pipeline operator is following its written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system? New 2008
Yes = 2 No = 0 | 2 | 2 |
|----------|--|---|---|

SLR Notes:

The PR PSC is different from most state commissions in enforcement of damage prevention. In this regard, the One Call Center is located within the commission and information about damage prevention and reporting is available to their staff members daily. The One Call Center has several inspectors who randomly check construction sites to verify the facilities have been marked correctly and cite contractors for not complying with their regulations. The inspectors can issue a fine up to \$3,000 for any violation found pertaining to the state damage prevention law.

- | | | | |
|----------|---|---|---|
| 3 | Did the state encourage and promote the adoption of the Common Ground Alliance Best Practices document to its regulated companies as a means of reducing damages to all underground facilities? Previous Question A.7
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

SLR Notes:

Yes, the PR PSC has provided information to all their operators about the Common Ground Alliance Best Practices document. The One Call Center promotes the best practices through newsletters and other documents to help reduce damages from occurring to all facilities. Data is being collected on the number of damages occurring on underground facilities by the One Call Center with anticipation of releasing a report of these findings via their web site address.

- | | | | |
|----------|---|---|---|
| 4 | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests? New 2008
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

Yes, PR PSC One Call Center collects damage prevention data from operators and develops a report of their findings. This information is published and available on their website. All damage prevention data is shared with the Director Pipeline Safety and his staff members.

- | | | | |
|----------|--|---|---|
| 5 | Did the state review operators' records of accidents and failures due to excavation damage to ensure causes of failure are addressed to minimize the possibility of recurrence as required by 192.617?
Yes = 2 No = 0 | 2 | 2 |
|----------|--|---|---|

SLR Notes:

Yes, PR PSC uses the federal form for their standard inspections each year. The form covers this requirement for the operators' investigation of incidents.

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

SLR Notes:

As mentioned previously, the One Call Center is located within the PR PSC. The agency is actively promoting damage prevention through its pipeline safety program and One Call Center to protect the public from an accidental release of product or disruption of service to the citizens of Puerto Rico.

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

PART F - Field Inspection

Points(MAX) Score

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

Name of Operator Inspected:

Santa Juanita Gas Services

Name of State Inspector(s) Observed:

Andres Torres, Director Pipeline Safety, Carlos Gonzales, Inspector & Carlos Charneco, Inspector

Location of Inspection:

Canton Mall Shopping Center - Bayamon, Puerto Rico

Date of Inspection:

June 10, 2010

Name of PHMSA Representative:

Glynn Blanton, PHMSA State Programs

SLR Notes:

The inspection consisted of a field review of the facilities located at the Canton Mall Shopping Center and records review located at the Santa Juanita's office in Carr, Puerto Rico. The operator was notified several weeks in advance of this standard inspection that would be performed. Mr. Jose A. River Jr., General Operations and President was present during the field and office review. Ms. Anabel Rivera, Human Resources, provided information about the operator's records and OQ and Alcohol and Drug Testing documents.

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

SLR Notes:

Yes, the operator was notified several weeks in advance of the scheduled standard inspection by phone and letter.

3 Did the inspector use an acceptable inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) Previous Question F.2 2 2
Yes = 2 No = 0

SLR Notes:

Yes, the PR PSC staff inspector was using the federal inspection form for the standard inspection. The responses given by the operator on the items asked on the inspection form were being recorded down on each item.

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

SLR Notes:

Yes, each item on the federal inspection form was checked and comments entered on the form where additional clarification was needed.

5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps, pyrometer, soap spray, CGI, etc.) New 2008 1 1
Yes = 1 No = 0

SLR Notes:

Yes, Jose Rivera, General Manager and President, had security keys to unlock the fenced in area where the propane tank and regulator station was located. He had equipment on his truck in the event any immediate repairs needed to be made.

6 What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc) New 2008 Info Only Info Only
Info Only = No Points

SLR Notes:

A standard inspection was performed with a review of the operator's OQ and drug testing requirements.

7 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) New 2008, comprehensive question worth 2 points total 2 2
Yes = 2 No = 0 Needs Improvement = 1

a.	Procedures	<input checked="" type="checkbox"/>
b.	Records	<input checked="" type="checkbox"/>
c.	Field Activities/Facilities	<input checked="" type="checkbox"/>

d. Other (Please Comment)

☐

SLR Notes:

Yes, the PR PSC inspector performed a thorough review of the operator's O&M procedures during the office visit. The inspector did check all records and field activities to insure the work performed was followed in accordance with their written procedures. The inspector was observed verifying written maintenance documents, OQ cards and checking for atmospheric corrosion on the pipeline and other above ground facilities.

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

SLR Notes:

Yes, the PR PSC inspector demonstrated a good working knowledge of the pipeline safety regulations and PR PSC rules pertaining to inside piping in commercial buildings. Mr. Torres has three years of experience in pipeline safety work.

9	Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) Previous Question F.10	1	1
Yes = 1 No = 0			

SLR Notes:

Yes, at the end of the field and office inspection a review was conducted with Jose Rivera and Anabel Rivera pertaining to the items checked during the inspection. A letter and a copy of the inspection report will be mailed to the operator.

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

SLR Notes:

Yes, Mr. Torres identified several areas of probable violations and discussed the violations with Jose Rivera. One of the most outstanding violations was in the area of atmospheric corrosion and installing of one or more pipeline marker signs next to the existing pipeline.

11	What did the inspector observe in the field? (Narrative description of field observations and how inspector performed)	Info Only	Info Only
Info Only = No Points			

SLR Notes:

The PR PSC observe the condition of the propane tank, pipeline and regulator station located in a locked fence area. The pipeline left the fenced in area and when to several individual business in the shopping center. The meters located in the backside of the building were checked for leakage, overpressure protection and atmospheric corrosion.

12	Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices)	Info Only	Info Only
Info Only = No Points			

SLR Notes:

No best practices were observed during this office and field inspection.

13	Field Observation Areas Observed (check all that apply)	Info Only	Info Only
Info Only = No Points			
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 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 checked="" type="checkbox"/>	
n.	Liaison with Public Officials	<input type="checkbox"/>	
o.	Leak Surveys	<input checked="" 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 checked="" 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 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 checked="" type="checkbox"/>
J.	Other	<input type="checkbox"/>

SLR Notes:

A standard inspection was performed using the federal inspection forms. This included the OQ training requirement and drug and alcohol testing.

14 Part F: General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

A standard inspection was performed using the federal inspection forms. This included the OQ training requirement and drug and alcohol testing.

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



PART G - PHMSA Initiatives - Strategic Plan

Points(MAX) Score

Risk base Inspections - Targeting High Risk Areas

- 1** Does state have process to identify high risk inspection units? 1.5 0
Yes = 1.5 No = 0

Risk Factors (criteria) to consider may include:

Miles of HCA's, Geographic area, Population Density

Length of time since last inspection

History of Individual Operator units (leakage, incident and compliance history, etc.)

Threats - (Excavation Damage, Corrosion, Natural Forces, Other Outside Forces, Material or Welds, Equipment, Operations, Other)

SLR Notes:

No, this item was described in the last two state evaluation reviews and no action has been taken to develop this requirement. A one and one half point reduction is being assessed and it is recommended this procedure be developed to prevent additional point loss in the future.

- 2** Are inspection units broken down appropriately? (see definitions in Guidelines) .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes, a review of the list of inspection units and the definitions of each inspection unit as described in the Guidelines manual was reviewed with the new Director Pipeline Safety. It appears the new Director is familiar with how to breakdown the inspection units into the correct format.

- 3** Consideration of operators DIMP Plan? (if available and pending rulemaking) Info Only Info Only
Info Only = No Points

SLR Notes:

The new Director Pipeline Safety will review this item and include in future inspection requirements.

- 4** Does state inspection process target high risk areas? .5 0
Yes = .5 No = 0

SLR Notes:

No. The Puerto Rico Commission has not developed a procedure or process to target high risk areas in their inspection program. No action has been taken to develop a plan in meeting this requirement in the last two years.

Use of Data to Help Drive Program Priority and Inspections

- 5** Does state use data to analyze effectiveness of damage prevention efforts in the state? (DIRT or other data, etc) .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes. The Puerto Rico One Call Center provides the number of damages occurring in their state by utility companies in a report to the President of the Commission and on their website. Efforts are being made by the Commission and One Call Center to measure the effectiveness of their damage prevention programs and campaigns by collection of data.

- 6** Has state reviewed data on Operator Annual reports for accuracy? .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes. The Puerto Rico Public Service Commission has only one operator that is required to submit an annual report, San Juan Gas. The annual report is reviewed by staff members each year to determine if data has been entered correctly. If errors have occurred, the operator is notified to make correction.

- 7** Has state analyzed annual report data for trends and operator issues? .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes, information submitted by San Juan Gas was reviewed and analyzed by staff members to determine if additional action may need to be taken to prevent damages from occurring and loss of unaccounted for gas.

- 8** Has state reviewed data on Incident/Accident reports for accuracy? .5 NA
Yes = .5 No = 0

SLR Notes:

No reportable incidents indicated on certification document nor occurred during calendar year 2009.

9	Does state do evaluation of effectiveness of program based on data? (i.e. performance measures, trends, etc.)	.5	0
Yes = .5 No = 0			

SLR Notes:

No, the Puerto Rico Commission is considering using a review process from data collected to measure the effectiveness of the pipeline safety program but currently this has not been implemented.

10	Did the State input all operator qualification inspection results into web based database provided by PHMSA in a timely manner upon completion of OQ inspections? Previous Question B.15	.5	0.5
Yes = .5 No = 0			

SLR Notes:

Yes, this information has been uploaded and verification was checked in the OQ database website. The new Director Pipeline Safety was asked to obtain a user ID and password for future filing of this requirement.

11	Did the State submit their replies into the Integrity Management Database (IMDB) in response to the Operators notifications for their integrity management program? Previous Question B.16	.5	NA
Yes = .5 No = 0			

SLR Notes:

NA. This is not applicable. There are no transmission pipelines in Puerto Rico

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

SLR Notes:

NA. This is not applicable. There are no transmission pipelines in Puerto Rico..

13	Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? Previous Question B.18	.5	0.5
Yes = .5 No = 0			

SLR Notes:

Yes. This item is discussed with the operator during the standard inspection being performed. Puerto Rico staff members indicated they have not observed or found from the review of operator records any issues pertaining to plastic pipe or components.

14	Has state confirmed transmission operators have submitted information into National Pipeline Mapping System (NPMS) database along with any changes made after original submission?	.5	NA
Yes = .5 No = 0			

SLR Notes:

This question is not applicable because there are no gas transmission pipelines in Puerto Rico.

Accident/Incident Investigation Learning and Sharing Lessons Learned

15	Has state shared lessons learned from incidents/accidents? (i.e. NAPSIR meetings and communications)	.5	NA
Yes = .5 No = 0			

SLR Notes:

NA. There have not been any reportable incidents in recent years to share information with other states about causes and findings.

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

SLR Notes:

NA. The agency has not been contacted by an outside party or parties pertaining to data on incidents.

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

SLR Notes:

The Puerto Rico staff members have not obtained root cause training. It is anticipated they will attend this course after completion of the required training requirements listed in the guideline manual.

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

Info Only Info Only

Info Only = No Points

SLR Notes:

Puerto Rico staff members need to consider attending the root cause analysis training course to provide them with the tools they will need in the investigation of an incident/accident.

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

.5

0

Yes = .5 No = 0

SLR Notes:

No. The Puerto Rico Commission has not received root cause training nor listed on the wait list at T&Q.

Transparency - Communication with Stakeholders

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

.5

0.5

Yes = .5 No = 0

SLR Notes:

Yes. The Puerto Rico Commission and One Call Center maintain a website providing information to all stakeholders about pipeline safety and damage prevention matters.

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

.5

0

Yes = .5 No = 0

SLR Notes:

No. The Puerto Rico Commission's Pipeline Safety Division has not shared information to the public about their enforcement actions. Director Pipeline Safety is planning to post this information on the Commission's website in the future.

22 Part G: General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

The Puerto Rico Commission has not established nor implemented a formal process to risk rank operators and inspection units. This item was described in the last two state evaluation reviews and no action has been taken to develop this required written document. (Question 1)

The Puerto Rico Commission has not developed a procedure or process to target high risk areas in their inspection program. (Question 4)

Although the Puerto Rico Commission is considering using a review process from data collected to measure the effectiveness of the pipeline safety program, currently this process has not been implemented. (Question 9)

The Puerto Rico Commission has not received root cause training nor listed on the wait list at T&Q. (Question 19)

The Puerto Rico Commission's Pipeline Safety Division has not shared information to the public about their enforcement actions. Director Pipeline Safety is planning to post this information on the Commission's website in the future. (Question 21)

Total points scored for this section: 3.5

Total possible points for this section: 7

PART H - Miscellaneous

Points(MAX) Score

- | | | | |
|----------|--|----|-----|
| 1 | What were the major accomplishments for the year being evaluated? (Describe the accomplishments, NAPSRR Activities and Participation, etc.)
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

The previous Director Pipeline Safety was unable to attend the NAPSRR Southern Region due to family illness. However, Alice Velazquez, Legal Counsel represented the Puerto Rico Commission at the meeting and presented an excellent presentation on the activities of the pipeline safety program. The Puerto Rico Commission is considering hosting the NAPSRR Southern Region meeting in 2011 or 2012.

The Puerto Rico Commission recently promoted Mr. Andres Torres as the Director Pipeline Safety. Mr. Andres Torres was appointed Director Pipeline Safety on March 10, 2010. Mr. Torres came to the Puerto Rico PSC in 1995 and has served in several different positions with the agency. His work in pipeline safety began in 2006 when he was transferred into the division as a gas pipeline inspector. The Commission is considering appointing two full time inspectors to the program who have experience in pipeline safety and damage prevention.

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

SLR Notes:

No legislation was introduced or proposed on adoption of the amendments to the pipeline safety regulations in 2009. The agency is aware of the need to adopt all federal regulations to comply with the federal guidelines and certification agreement.

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

SLR Notes:

The Puerto Rico staff members continue to review other facilities that may be jurisdictional to their agency during normal inspection visits. No additional units were added in 2009 to their inspection program.

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

SLR Notes:

Yes, NAPSRR did not provide a negative comment on the Puerto Rico Commission's response to surveys. The Commission did submit and obtained approval from PHMSA a waiver pertaining to the three years requirement of 60107(b) of the PIPES Act. This waiver requires states to contribute to the payment of the 2009 State total program costs the average of their previous 3-year contribution to those costs in their pipeline safety program.

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

SLR Notes:

Alice Velazquez, Legal Counsel represented the Puerto Rico Commission at the NAPSRR Southern Region meeting. Her presentation to all state program managers on the activities of the pipeline safety program and damage prevention efforts by the One Call Center was informative.

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

SLR Notes:

Legislative initiatives to adopt several amendments to the pipeline safety regulations to comply with the three year federal guideline requirements were not completed in 2009. Agency needs to pursue adoption of these amendments to prevent loss of points in future certification reviews. Due to failure to not adopt these amendments resulted in a loss of 0.5 points in question H2.

Total points scored for this section: 2.5
Total possible points for this section: 3

PART I - Program Initiatives

Points(MAX) Score

Drug and Alcohol Testing (49 CFR Part 199)

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

SLR Notes:

Yes, Puerto Rico Commission staff members review operators' drug and alcohol programs when they perform a standard inspection. During the year staff members verify the operator has made revisions to their plans to comply with Part 199.

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

SLR Notes:

Yes, they verify and check documentation located in the operator's files to determine if all employees have been drug tested and comply with Part 199 during the standard inspection each year.

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

SLR Notes:

Yes, during the standard inspection they check the operators' files to determine if a positive test was reported and the individual has been removed from the covered task. Additionally, they compare action taken by the operator to their drug and alcohol plan.

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

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

SLR Notes:

Yes, a review of the OQ Inspection database indicated the Puerto Rico Commission has conducted OQ inspection of all operators programs for compliance with PHMSA rule.

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

SLR Notes:

Yes, a review of the OQ Inspection database indicated the Puerto Rico Commission has conducted OQ inspection of all operators programs for compliance with PHMSA rule and verified using the protocols. The protocol results have been provided to the OQ database.

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

SLR Notes:

Information has been uploaded into the OQ database via the protocols to verify the persons who perform covered task are qualified. This requirement only applies to six operators in Puerto Rico

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

SLR Notes:

Yes, during the field inspection they review the company records to ensure the individual's in the covered task has been re-qualified at the intervals described in the operator's program.

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

- | | | | |
|----------|--|---|----|
| 8 | Has the state verified that all operators with transmission pipelines have either adopted an integrity management program (IMP), or have properly determined that one is not required? | 1 | NA |
| | Yes = 1 No = 0 | | |

SLR Notes:

There is no gas transmission pipelines located in Puerto Rico. Therefore, this question is not applicable.

- | | | | |
|----------|---|----|----|
| 9 | Has the state verified that in determining whether a plan is required, the operator correctly calculated the potential impact radii and properly applied the definition of a high consequence area? | .5 | NA |
| | Yes = .5 No = 0 | | |

SLR Notes:

There is no gas transmission pipelines located in Puerto Rico. Therefore, this question is not applicable.

- | | | | |
|----|---|----|----|
| 10 | Has the state reviewed operator IMPs for compliance with Subpart O? (In accordance with State Inspection plan)
Yes = .5 No = 0 | .5 | NA |
|----|---|----|----|

SLR Notes:

There is no gas transmission pipelines located in Puerto Rico. Therefore, this question is not applicable.

- | | | | |
|----|--|----|----|
| 11 | Is the state monitoring operator progress on the inspections, tests and remedial actions required by the operator's IMP, including that they are being done in the manner and schedule called for in its IMP?
Yes = .5 No = 0 | .5 | NA |
|----|--|----|----|

SLR Notes:

There is no gas transmission pipelines located in Puerto Rico. Therefore, this question is not applicable.

- | | | | |
|----|--|----|----|
| 12 | Is the state verifying that operators are periodically examining their transmission line routes for the appearance of new HCAs?
Yes = .5 No = 0 | .5 | NA |
|----|--|----|----|

SLR Notes:

There is no gas transmission pipelines located in Puerto Rico. Therefore, this question is not applicable.

Public Awareness (49 CFR Section 192.616)

- | | | | |
|----|--|----|-----|
| 13 | Has the state verified that each operator has developed a continuing public awareness program? (due date was 6/20/06 for most operators, 6/20/07 for certain very small operators, 6/13/08 for master meters)
Yes = .5 No = 0 | .5 | 0.5 |
|----|--|----|-----|

SLR Notes:

Yes, Puerto Rico staff members verified all operators have a public awareness plan to comply with 192.616. The agency did not use the Clearinghouse to conduct the reviews.

- | | | | |
|----|--|----|-----|
| 14 | Has the state reviewed the content of these programs for compliance with 192.616 (by participating in the Clearinghouse or by other means)?
Yes = .5 No = 0 | .5 | 0.5 |
|----|--|----|-----|

SLR Notes:

Yes, Puerto Rico staff members verified the operators' compliance to section 192.616 and API 1104 by in-house reviews. They did not use the Clearinghouse review process.

- | | | | |
|----|--|----|-----|
| 15 | Is the state verifying that operators are conducting the public awareness activities called for in its program?
Yes = .5 No = 0 | .5 | 0.5 |
|----|--|----|-----|

SLR Notes:

Yes, Puerto Rico staff members verify the operator is conducting public awareness activities during the standard inspection performed each year.

- | | | | |
|----|---|-----------|-----------|
| 16 | Is the state verifying that operators have evaluated their Public Awareness programs for effectiveness as described in RP1162?
Info Only = No Points | Info Only | Info Only |
|----|---|-----------|-----------|

SLR Notes:

Yes, this item is verified by the Puerto Rico staff members during the standard inspections performed each year on all operators.

- | | | | |
|----|---|-----------|-----------|
| 17 | Part I: General Comments/Regional Observations
Info Only = No Points | Info Only | Info Only |
|----|---|-----------|-----------|

SLR Notes:

There is no gas transmission pipelines located in Puerto Rico. Therefore, Gas IMP inspection questions and other relative information on transmission lines are not applicable.

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