



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

1200 New Jersey Avenue SE  
Washington DC 20590

# 2012 Natural Gas State Program Evaluation

for

PENNSYLVANIA PUBLIC UTILITY COMMISSION

## 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)



2012 Natural Gas State Program Evaluation -- CY 2012  
Natural Gas

**State Agency:** Pennsylvania

**Agency Status:**

**Date of Visit:** 09/23/2013 - 09/27/2013

**Agency Representative:** Paul J. Metro, Manager, Gas Safety Division  
Andrew Geibel, Gas Safety Inspector, Gas Safety Division  
Michael Chilek, Gas Safety Supervisor, Gas Safety Division

**PHMSA Representative:** Glynn Blanton, DOT PHMSA State Programs

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

**Name/Title:** Robert F. Powelson, Chairman  
**Agency:** Pennsylvania Public Service Commission  
**Address:** 400 North Street, Keystone Building  
**City/State/Zip:** Harrisburg, Pennsylvania 17120

**Rating:**

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

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**INSTRUCTIONS:**

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2012 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

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**Field Inspection (PART G):**

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

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**Scoring Summary**

**PARTS**

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)

**Possible Points Points Scored**

10 9  
15 15  
46 46  
15 13  
7 7  
8 8  
12 12  
0 0  
0 0

**TOTALS**

**113 110**

**State Rating** ..... **97.3**

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## PART A - Progress Report and Program Documentation Review

Points(MAX) Score

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

**Evaluator Notes:**

A review of 2012 Natural Gas Grant Progress report Attachment 1 found jurisdictional authority code "B" for Master Meter Operators was incorrectly entered. The correct code is X/60105. We understand on February 22, 2012, the PA PUC was granted the authority by Pennsylvania Legislature to enforce safety regulations on all jurisdictional pipelines. Therefore, a loss of one point that would normally have occurred was not assessed. Accuracy in entering information is important, please check this item in future filings.

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

**Evaluator Notes:**

A review of progress report Attachment 2 found the information was correctly entered. We reviewed the Master Activity spreadsheet for the inspection days and activities and did not find in any issues.

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

**Evaluator Notes:**

No issues in the review of Attachment 3 regarding operator and inspection units. It was noted the operator's name and ID number were entered and checked. No areas of concern.

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

**Evaluator Notes:**

No issues in the review of Attachment 4 regarding incidents. The release of natural gas due to a relief valve on a PVR Partners, Gathering System, resulted in a loss of gas in the amount of \$21,060.

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

**Evaluator Notes:**

A review of Attachment 5 found the information to be correct. The number of carryover violations was reduced during CY2012 and a civil penalty of \$145,000 was collected. Consideration to adding information in the notes section of the attachment would assist in knowing the dollars collected and who the operator was found to be in non-compliance. No issues

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

**Evaluator Notes:**

Yes. The information listed matched the files kept by the state program. No issues.

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

**Evaluator Notes:**

A review of Attachment 7 found the percentage of time in the Supervisor and Inspector category was not entered correctly. If a person listed as a Supervisor in Attachment 7 conducts inspection duties for which inspection person days are included in Attachment 2, time spent as a Supervisor and Inspector/Investigator should be apportioned accordingly in Attachment 7.0. See "Guidelines for States Participating in the Pipeline Safety Program" Section 2.6.7. Accuracy of information is important. Therefore, a loss of one point occurred.

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

Evaluator Notes:

No issues. The State of Pennsylvania changed Title 66 in ACT 11 pertaining to the civil penalty and automatic adoption of the federal pipeline safety regulations. The current civil penalty matches the federal amounts and current regulations.

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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:

A review of Attachment 10 found the information is weak with Planned and Past Performance items. Improvement is needed in providing more details to what is currently being done to meet the objectives of the program.

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10	General Comments:	Info Only	Info Only
	Info Only = No Points		

Evaluator Notes:

A loss of one point occurred in Question A.7.

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Total points scored for this section: 9  
Total possible points for this section: 10



## PART B - Program Inspection Procedures

Points(MAX) Score

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

Evaluator Notes:

Yes, this is listed in Pennsylvania Public Utility Commission Gas Safety Inspector Handbook, Inspection Protocols, Page 20, O & M Inspection. No issues.

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

Evaluator Notes:

Yes, this is listed in Pennsylvania Public Utility Commission Gas Safety Inspector Handbook, Inspection Protocols, Page 16, IMP (Integrity Management) Program Inspection.

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

Evaluator Notes:

Yes, this is listed in Pennsylvania Public Utility Commission Gas Safety Inspector Handbook, Inspection Protocols, Page 21, OQ (Operator Qualification) Inspections.

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

Evaluator Notes:

Yes, this is listed in Pennsylvania Public Utility Commission Gas Safety Inspector Handbook, Inspection Protocols, Page 21, One Call Verification.

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

Evaluator Notes:

This item is covered during their Welding & Plastic Pipe Certification inspections but will be separated in the future and established as a separate inspection type. Information on the onsite operator training inspection will include the training material presented, what they taught, who they taught, when they taught and a list of attendees.

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

Evaluator Notes:

Yes, this is listed in Pennsylvania Public Utility Commission Gas Safety Inspector Handbook, Inspection Protocols, page 22, Plastic Pipeline Construction and page 25, Steel Pipeline Construction. No issues.

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

Evaluator Notes:

Yes, this is listed in Pennsylvania Public Utility Commission Gas Safety Inspector Handbook, Inspection Protocols, page 19, Non Reportable and page 23, Reportable failure investigation.

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

- |    |   |                                      |                          |   |
|----|---|--------------------------------------|--------------------------|---|
| a. | Length of time since last inspection  | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Type of activity being undertaken by operators (i.e. construction)  | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

- d. Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc) Yes ☒ No ☐ Needs Improvement ☐
- 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 ☒ No ☐ Needs Improvement ☐
- f. Are inspection units broken down appropriately? Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Yes, this is listed in Pennsylvania Public Utility Commission Gas Safety Inspector Handbook, Inspection Protocols, page 11, Procedures for determining inspection priorities.

**9** General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No loss of points occurred in this section of the review.

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



## PART C - Program Performance

Points(MAX) Score

- 1 Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 (A12) 5 5  
Yes = 5 No = 0
- A. Total Inspection Person Days (Attachment 2):  
843.00
- B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
220 X 4.70 = 1034.00
- Ratio: A / B  
843.00 / 1034.00 = 0.82
- If Ratio  $\geq$  0.38 Then Points = 5, If Ratio  $<$  0.38 Then Points = 0  
Points = 5

### Evaluator Notes:

- A.Total Inspection Person Days (Attachment 2)= 843
- B.Total Inspection Person Days Charged to the program(220\*Number of Inspection person years(Attachment 7)  
=1033.99978
- Formula:- Ratio = A/B = 843/1033.99978 = 0.82
- Rule:- (If Ratio  $\geq$  .38 then points = 5 else Points = 0.)
- Thus Points = 5

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines for requirements) Chapter 4.4 (A8-A11, G19) 5 5  
Yes = 5 No = 0 Needs Improvement = 1-4
- a. Completion of Required OQ Training before conducting inspection as lead? Yes ☒ No ☐ Needs Improvement ☐
- b. Completion of Required DIMP\*/IMP Training before conducting inspection as lead? \*Effective Evaluation CY2013 Yes ☒ No ☐ Needs Improvement ☐
- c. Root Cause Training by at least one inspector/program manager Yes ☒ No ☐ Needs Improvement ☐
- d. Note any outside training completed Yes ☒ No ☐ Needs Improvement ☐

### Evaluator Notes:

- a. Yes, a review of SABA transcript confirms all inspectors have completed the OQ training course prior to performing an inspection.
- b. Yes, a review of SABA transcript confirms five of the seven inspectors had completed the course. Only the individuals who completed the course were allowed to lead the DIMP/IMP inspections. No issues.
- c. Yes, five inspectors have successfully completed the course. No issues.
- d. Supervisor and regulator training was provided to all staff in CY2012.
- It was noted the Program Manager has until CY2015 to complete all required training courses. Currently, the following courses need to be completed: PL1255, PL3256 and PL3257.

- 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:

Paul Metro has over 11 years of experience in Pipeline Safety. However, he needs to complete all required TQ course before CY 2015. Listed below are the required courses that need to be completed: Pressure Regulator PL1255, Failure Investigation PL3256 and Enforcement PL3257.

- 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:

Yes, the response letter from Chairman Robert Powelson to Zach Barrett was received on January 16, 2013 and within the required 60 days' time requirement. No issues.

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

Evaluator Notes:

The last conducted TQ seminar was held at State College on October 10-11, 2012. There were 272 participants which attended the seminar. PA PUC will be conducting their annual seminar again in October, 2013 at State College.

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- |          |   |   |   |
|----------|---|---|---|
| <b>6</b> | 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:

They use a combination of procedures and risk ranking to inspect the operators and inspection units. A review of the number of inspections conducted in CY2012 found 13 of the 29 private operators were not inspected. However, the files indicate the inspections were conducted in CY2013 and within their risk ranking prioritization system. No issues.

- 
- |          |   |   |   |
|----------|---|---|---|
| <b>7</b> | 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) | 2 | 2 |
|          | Yes = 2 No = 0 Needs Improvement = 1  |   |   |
- 

Evaluator Notes:

Yes, they use the Federal Inspection Forms and break it into smaller sections to conduct the inspection. A review of their files confirms this was the method they are using.

- 
- |          |  |   |   |
|----------|--|---|---|
| <b>8</b> | 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) | 1 | 1 |
|          | Yes = 1 No = 0   |   |   |
- 

Evaluator Notes:

Yes, this item is accomplished by a letter to all operators in the first quarter of each year. The Formal Letter (FL) lists this question and the operator's response is reviewed by staff members for compliance. A review of the letter dated March 23, 2012 found this question and other NTSB items listed. No issues.

- 
- |          |   |   |   |
|----------|---|---|---|
| <b>9</b> | 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) | 1 | 1 |
|          | Yes = 1 No = 0  |   |   |
- 

Evaluator Notes:

Yes, this item is also accomplished by a letter to all operators in the first quarter of each year. The Formal Letter (FL) lists this question and the operator's response is reviewed by staff members for compliance. A review of the letter dated March 23, 2012 found this question and other NTSB items listed. No issues.

- 
- |           |  |   |   |
|-----------|--|---|---|
| <b>10</b> | 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) | 1 | 1 |
|           | Yes = 1 No = 0   |   |   |
- 

Evaluator Notes:

Yes, this item is also accomplished by a letter to all operators in the first quarter of each year. The Formal Letter (FL) lists this question and the operator's response is reviewed by staff members for compliance. A review of the letter dated March 23, 2012 found this question and other NTSB items listed. No issues.



- |           |   |   |   |
|-----------|---|---|---|
| <b>11</b> | 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)<br>Yes = 1 No = 0 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

Yes, this is listed in Pennsylvania Public Utility Commission Gas Safety Inspector Handbook. Leak response is tracked on 3rd Party Damage Inspection form, Leak Verification and Leak Survey forms. All incident response times are captured in the Leak Investigation/Complaint form. No issues.

- |           |   |   |   |
|-----------|---|---|---|
| <b>12</b> | 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

Yes. PA PUC staff members reviewed the operator's annual reports and record the results into a risk assessment spreadsheet. The spreadsheet is shared with all staff members who use the information in scheduling their inspection audits. No issues.

- |           |  |   |   |
|-----------|--|---|---|
| <b>13</b> | 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

Yes, a review of the IMDB web site indicated one hundred and seven (107) OQ inspection results were unloaded into the federal database in a timely manner. It was noted 36 OQ inspections were performed by Supervisor staff members. No issues.

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

Evaluator Notes:

Yes, this item is accomplished by a letter to all operators in the first quarter of each year. The Formal Letter (FL) lists this question as number 14. The operator's response is reviewed by staff members for compliance. No issues.

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

Evaluator Notes:

Yes, this item is accomplished by a letter to all operators in the first quarter of each year. The Formal Letter (FL) lists this question as number 12. The operator's response is reviewed by staff members for compliance. No issues.

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

Evaluator Notes:

Yes, this is listed in Pennsylvania Public Utility Commission Gas Safety Inspector Handbook, page 21, OQ (Operator Qualification) Inspections. They use the federal inspection form in verifying the operator's compliance.

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

Evaluator Notes:

Yes, this is listed in the Pennsylvania Public Utility Commission Gas Safety Inspector Handbook, page 16, IMP (Integrity Management) Inspections. They use the federal inspection form in verifying the operator's compliance. No issues.

- 18 Is state verifying operator's gas distribution integrity management Programs (DIMP)? 2 2  
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

Evaluator Notes:

Yes, PA PUC inspectors have completed a partial review of the distribution systems in CY2012. A review of the DIMP inspection program files found the larger 10 operators have been inspected. The remaining operators will be scheduled in CY2013. The results of the inspections will be completed and uploaded into the PHMSA database.

- 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:

Yes, PA PUC inspectors have verified and completed the top ten distribution systems public awareness inspections. The remaining operators are on scheduled to be reviewed by December, 2013.

- 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  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, PA PUC holds meetings with company officials about safety related items and generally discussion items are posted on their web site. Improvement is needed in providing more detailed information about the discussions and letting the public be aware of the agency's enforcement and jurisdictional authority for pipeline safety program.

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

Evaluator Notes:

Yes, three Safety Related Condition report were submitted in CY2012. Two reports from UGI Penn Natural Gas Company on 05-21-2013 and 12-24-2012. The third report was submitted by Peoples Natural gas Company on 08-20-2012. No issues pertaining to follow-up between PHMSA Eastern Region and PA PUC were required.

- 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  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, this item is accomplished by a letter to all operators in the first quarter of each year. The Formal Letter (FL) lists this question number 1 and the operator's response is reviewed by staff members for compliance. A review of the letter dated March 23, 2012 found this question listed. No issues.

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

Evaluator Notes:

Yes, PA PUC participates in all surveys from NAPS and NARUC. No issues.

**24** General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

No loss of points occurred in this section of the review.

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Total points scored for this section: 46  
Total possible points for this section: 46



## PART D - Compliance Activities

Points(MAX) Score

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

### Evaluator Notes:

- a. Procedures on notification to the company officer were not included in the Pennsylvania Public Utility Commission Gas Safety Inspector Handbook, Enforcement Procedures. Improvement is needed. A loss of one point occurred.
- b. Pennsylvania Public Utility Commission Gas Safety Inspector Handbook, Enforcement Procedures, page 31-32 address this item. No issue.

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

### Evaluator Notes:

- a. A review of Notice of Probable Violations letters dated in CY2012 found three letters: May 3, 2012 Douglas Gray, Agent Knox Energy Cooperative; July 10, 2012 Dan Zimmerman, Compliance Officer Granger Energy, LLC; May 9, 2012 John Leary, Borough of Chamberburg were not sent to the official officer of the gas company. Improvement is needed therefore a loss of one point occurred.
- b. Yes, good detail on all violations was provided in the letters.
- c. Yes, probable violations were corrected and resolved by follow-up inspection and response from operator.
- d. Administrative Assistant routinely reviewed the probable violations along with each Engineer.

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

### Evaluator Notes:

Yes, a review of letters and files found this action was being performed.

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

### Evaluator Notes:

Yes, a review of letters and procedures confirm this was being performed. If the operator objects to the non-compliance item an informal meeting or Formal Complaint is issued.

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

### Evaluator Notes:

Yes, Paul Metro, Manager Gas Safety is familiar with imposing civil penalties. In CY2012, 63 compliance actions were taken and \$145,000 was collected. No issues.

- 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:

Yes, CY2012 the PA PUC assessed \$260,000 and collected \$145,000 from two operators.

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

Evaluator Notes:

A loss of points occurred in D1 & D2.

Total points scored for this section: 13  
Total possible points for this section: 15



## PART E - Incident Investigations

Points(MAX) Score

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

### Evaluator Notes:

Yes, PA PUC document entitled, "Workflow Processes Gas Safety Division" on page 3, contains the procedures for receiving and responding to operators on incidents. The procedures also include after-hour reporting. No issue.

a. Program Manager and PA PUC staff is familiar with the MOU between NTSB & PHMSA. This information is listed in the Guidelines for States Participating in the Pipeline Safety document.

b. Program Manager and PA PUC staff is familiar with the Federal/State Cooperation agreement in case of an incident/accident.

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

### Evaluator Notes:

Yes. All incidents and non-reportable incidents are investigated by PA PUC staff members.

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

### Evaluator Notes:

Yes, a review of the incident that occurred on PVR Partners, LP at 138 Herdmand Road and Monroe Turnpike in Wyoming County, PA show a thorough review and report was conducted by PA PUC. No issues.

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

### Evaluator Notes:

NA

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

### Evaluator Notes:

NA.

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

Evaluator Notes:

Yes, information on the incidents and other related topics on meter sets located in crawl spaces were shared with the State Program Managers at the 2013 NAPSR Eastern Region Meeting in New Jersey. No issues.

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7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

No loss of points occurred in this section.

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



## 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) | 2 | 2 |
|   | Yes = 2 No = 0 Needs Improvement = 1  |   |   |

Evaluator Notes:

Yes, this item is accomplished by a letter to all operators in the first quarter of each year. The Formal Letter (FL) lists this question number 10. The operator's response is reviewed by staff members for compliance. A review of the letter dated March 23, 2012 found this question was listed. No issues.

- |   |  |   |   |
|---|--|---|---|
| 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) | 2 | 2 |
|   | Yes = 2 No = 0 Needs Improvement = 1   |   |   |

Evaluator Notes:

Yes, this item is accomplished by a letter to all operators in the first quarter of each year. The Formal Letter (FL) lists this question number 8. A review of the letter dated March 23, 2012 found this question was listed. No issues.

- |   |   |   |   |
|---|---|---|---|
| 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) | 2 | 2 |
|   | Yes = 2 No = 0 Needs Improvement = 1  |   |   |

Evaluator Notes:

Yes, this item is reviewed with the operator during their inspection audits. Additionally, they share damage prevention data will utility operators in a quarterly meeting to make them aware of how to reduce damages.

- |   |  |   |   |
|---|--|---|---|
| 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) | 2 | 2 |
|   | Yes = 2 No = 0 Needs Improvement = 1   |   |   |

Evaluator Notes:

Yes, they collect data on trends on the number of pipeline damages per 1,000 locate request. In CY2012, the ratio per 1,000 locate request for the following operators are listed below:  
PECO: 3.02; UGI:5.89; PGW:1.87; Columbia: 2.60; Equitable Gas: 4.17; National Fuel: 5.31; Peoples Natural Gas: 7.42; Peoples TWP: 4.94; Valley Energy: 11.96  
No areas of concern were found or noted.

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

Evaluator Notes:

No loss of points occurred in this section of the review.

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 Info Only  
Info Only = No Points

Name of Operator Inspected:

UGI, Inc.

Name of State Inspector(s) Observed:

Mike Chilek, Northeastern Supervisor

Location of Inspection:

Allentown, PA

Date of Inspection:

September 25, 2013

Name of PHMSA Representative:

Glynn Blanton, DOT PHMSA State Programs

Evaluator Notes:

This was a multiple field inspection consisting of three construction projects. The first project was a plastic pipe insertion located on 1220 Hanover Avenue. The other two projects were meter relocation and cast iron replacement located at Baker Drive and Delaware and South Franklin Avenue in Allentown, PA.

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

Evaluator Notes:

Yes, UGI officials were notified by telephone about the inspection. The following UGI personnel were present: Jeff Frey, Manager Mike Cawley, Construction Supervisor, Molly O Driscoll, Engineer and Brian Slinsky, Operations Manager.

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

Evaluator Notes:

Yes, the PA PUC Engineer used the Public Utility Commission Plastic Pipeline Construction form. Information was recorded into the form as the operator representatives responded to the questions asked. No issues.

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

Evaluator Notes:

Yes. Mike Chilek, PA PUC Engineer was very thorough with the inspection. Additionally, he has several years of experience and has completed the required TQ training courses. No issues.

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

Evaluator Notes:

Yes, the PA PUC Engineer checked the operator's equipment during the inspection. No issues.

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

a. Procedures ☒

b. Records ☒

c. Field Activities ☒

d. Other (please comment) ☐

Evaluator Notes:

The Engineer reviewed the UGI procedures and work being performed. No issues.

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, Mike Chilek has over five years of experience in pipeline safety regulations and completed all TQ course requirements.

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
---	--	---	---

Evaluator Notes:

A brief discussion with UGI was conducted on a potential violation regarding the Abandoning Service Line procedures number 6.3.1 and Meter and Regulator Location and Installation, UGI number 35.10.10.

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

Evaluator Notes:

Yes, the PA PUC Engineer reviewed with UGI officials a potential violation regarding their procedures. It was not determined if a violation would be cited during the field portion of the inspection. No issues.

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
----	--	-----------	-----------

a.	Abandonment	<input checked="" type="checkbox"/>
b.	Abnormal Operations	<input type="checkbox"/>
c.	Break-Out Tanks	<input type="checkbox"/>
d.	Compressor or Pump Stations	<input type="checkbox"/>
e.	Change in Class Location	<input type="checkbox"/>
f.	Casings	<input type="checkbox"/>
g.	Cathodic Protection	<input checked="" type="checkbox"/>
h.	Cast-iron Replacement	<input checked="" type="checkbox"/>
i.	Damage Prevention	<input type="checkbox"/>
j.	Deactivation	<input type="checkbox"/>
k.	Emergency Procedures	<input type="checkbox"/>
l.	Inspection of Right-of-Way	<input type="checkbox"/>
m.	Line Markers	<input type="checkbox"/>
n.	Liaison with Public Officials	<input type="checkbox"/>
o.	Leak Surveys	<input checked="" type="checkbox"/>
p.	MOP	<input type="checkbox"/>
q.	MAOP	<input 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 type="checkbox"/>
v.	Overpressure Safety Devices	<input checked="" 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 type="checkbox"/>

- |    |                             |                                     |
|----|-----------------------------|-------------------------------------|
| C. | Tapping                     | <input checked="" 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:

This was a field inspection monitoring gas meter relocation and installation work.

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



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

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA.

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

Evaluator Notes:

NA.

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

Evaluator Notes:

NA.

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

Evaluator Notes:

NA.

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

Evaluator Notes:

NA.

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

Evaluator Notes:

NA.

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

Evaluator Notes:

NA.

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

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

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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