



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

1200 New Jersey Avenue SE
Washington DC 20590

2014 Hazardous Liquid State Program Evaluation

for

VIRGINIA STATE CORPORATION 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 -- Accident Investigations
- F -- Damage Prevention
- G -- Field Inspections
- H -- Interstate Agent State (if applicable)
- I -- 60106 Agreement State (if applicable)



2014 Hazardous Liquid State Program Evaluation -- CY 2014
Hazardous Liquid

State Agency: Virginia

Agency Status:

Date of Visit: 05/11/2015 - 05/29/2015

Agency Representative: Massoud Tahamtani, Director of Utility & Railroad Safety

Shane Ayers, Program Manager

Drew Eaken, Senior Utilities Engineer

James Fisher, Senior Utilities Engineer

PHMSA Representative: Glynn Blanton, US DOT/PHMSA State Programs

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

Name/Title: Mark C. Christie, Chairman

Agency: Virginia State Corporation Commission

Address: Tyler Building, P.O. Box 1197

City/State/Zip: Richmond, Virginia 232218

Rating:

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

INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2014 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

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

Scoring Summary

PARTS

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

Possible Points Points Scored

| | |
|----|----|
| 9 | 9 |
| 13 | 13 |
| 40 | 40 |
| 7 | 7 |
| 7 | 7 |
| 8 | 8 |
| 12 | 12 |
| 6 | 6 |
| 0 | 0 |

TOTALS

102 102

State Rating

100.0

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

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

Evaluator Notes:

Conducted a review of Attachment 1 and found information was correct with the number of operators and inspection units. Information on Attachment 1 is consistent with Attachment 3 on total number of units. No areas of concern.

- | | | | |
|---|--|---|---|
| 2 | Review of Inspection Days for accuracy - Progress Report Attachment 2 Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

A review of the 2014 VSCC Progress Report found the number of inspection days is based on time sheets by each inspector. Verified inspections were performed by reviewing spreadsheet. No issues.

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

Evaluator Notes:

Conducted a verification of the five operators: Colonial Pipeline Company, Kinder Morgan Southeast Terminals, NcStar Energy, Plantation Pipeline Company and Transmontaigne Terminating found the information correct. No issues.

- | | | | |
|---|--|---|----|
| 4 | Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|---|--|---|----|

Evaluator Notes:

No reportable incidents occurred in CY2014.

- | | | | |
|---|--|---|---|
| 5 | Accuracy verification of Compliance Activities - Progress Report Attachment 5 Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

A review of files found no violations were found or cited in CY2014 for intrastate operators. However, one violation was cited for one interstate operator that was referred to PHMSA Eastern Region.

- | | | | |
|---|---|---|---|
| 6 | Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, conducted a review of files and found inspection reports were well organized and accessible. No issues.

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

Evaluator Notes:

Yes, a review of employees listed on attachment 7 was checked with TQ transcripts on courses completed by individuals. All information posted was correct and no issues of concerns were found.

- | | | | |
|---|---|---|---|
| 8 | Verification of Part 195,198,199 Rules and Amendments - Progress Report Attachment 8 Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

VSCC has automatic adoptions of regulations. No issues of concern.

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

Evaluator Notes:

A review of Attachment 10 found planned and past performances were provided. No issues of concern.

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

Evaluator Notes:

No areas of concern were found or noted in this section of the review. No loss of points occurred.

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



PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|---|--|---|---|
| 1 | Standard Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 2 | 2 |
|---|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, this is listed in VSCC Pipeline Safety Program Procedures on page 14, IV.2. Conducting Inspections. The procedures contain established frequencies and include a risk based method to schedule the inspections. All hazardous liquid operators are inspected each year except for Trans Montaigne which is inspected every 3 years. This is note on page 9 of procedures. No areas of concern.

- | | | | |
|---|---|---|---|
| 2 | IMP Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, IMP inspections are listed in VSCC Pipeline Safety Program Procedures Manual on page 9 pertaining to frequency and type of inspections are listed on page 14. All IMP inspections are scheduled every four years.

- | | | | |
|---|--|---|---|
| 3 | OQ Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, OQ inspections are performed during the standard inspection. A review of NuStar Energy LP inspection performed on 12/09/14 confirm this action. No issues.

- | | | | |
|---|---|---|---|
| 4 | Damage Prevention Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, this is listed in VSCC Pipeline Safety Program Procedures page 13. During standard inspections, the VSCC inspector will check the operator's locate tickets and field check the marking of the facilities. No areas of concerns were found.

- | | | | |
|---|--|---|---|
| 5 | Any operator training conducted should be outlined and appropriately documented as needed. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Training is provided by staff members at the VSCC Pipeline Safety Seminar September 30 -October 2, 2014 and a Safety Stand Down day presentations dated October 29, 2014 to several operators and groups. No issues.

- | | | | |
|---|--|---|---|
| 6 | Construction Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, this is listed in VSCC Pipeline Safety Program Procedures on pages 8 & 9. Operators are required to file with VSCC construction project daily or on large projects over \$100,000 within ten days prior to the start of the construction. No issues.

- | | | | |
|----|---|--------------------------------------|--|
| 7 | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? Yes = 6 No = 0 Needs Improvement = 1-5 | 6 | 6 |
| a. | Length of time since last inspection (Within five year interval) | 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 area, Population Density, etc) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| e. | Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| f. | Are inspection units broken down appropriately? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

- a. Yes this is listed on page 9 of VSCC procedures manual .
- b. Yes, this is listed on page 10 & 11 of VSCC procedure manual.
- c. Yes, this is identified on page 10.
- d. Yes, this is listed on page 12.
- e. Yes, this is listed on page 11.
- f. Yes

Note: VSCC has two jurisdictional intrastate hazardous liquid operators who operate less than 11 miles of pipeline in Virginia. There are five interstate pipeline operators in Virginia. Each year an inspection plan is negotiated between VSCC and PHMSA Eastern Region on the inspection of the operators.

8 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: 13
Total possible points for this section: 13



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 5 5
Yes = 5 No = 0
A. Total Inspection Person Days (Attachment 2):
85.66
B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 0.98 = 215.23
Ratio: A / B
85.66 / 215.23 = 0.40
If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
Points = 5

Evaluator Notes:

A.Total Inspection Person Days (Attachment 2)= 85.66
B.Total Inspection Person Days Charged to the program(220*Number of Inspection person years(Attachment 7)=215.23326
Formula:- Ratio = A/B = 85.66/215.23326 = 0.4
Rule:- (If Ratio >=.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 Appendix C for requirements) Chapter 4.4 5 5
Yes = 5 No = 0 Needs Improvement = 1-4
- | | | | |
|---|--------------------------------------|--------------------------|---|
| a. Completion of Required OQ Training before conducting inspection as lead? | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. Completion of Required IMP Training before conducting inspection as lead | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. Root Cause Training by at least one inspector/prgram manager | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. Note any outside training completed | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

A review of TQ transcripts confirmed VSCC individuals have met the training requirements as listed above. Jim Fisher is the lead for OQ, IMP and has attended the Root cause training course at TQ. No issue.

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

Evaluator Notes:

Yes, Massoud Tahamtani, Director,has extensive knowledge of Virginia's rules and regulations and the hazardous liquid safety regulations. No issues.

- 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 2 NA
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

No response was required in the letter send to Chairman James Dimitri dated June 26, 2014.

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

Evaluator Notes:

Yes, VSCC held a TQ seminar on September 30-October 2, 2014 in Virginia Beach, VA at the Hilton Hotel. The total number of attendees was five representing three operators . No issues.

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

Evaluator Notes:

Yes, a review of inspection reports, files and VSCC PIPES data base confirm all operators were inspected in accordance to VSCC written procedures.

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

Evaluator Notes:

Yes, VSCC use the Federal Inspection forms for all types of inspections. No issues.

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- | | | | |
|----------|--|---|---|
| 8 | Did the state review operator procedures for determining areas of active corrosion on liquid lines in sufficient detail? (NOTE: PHMSA representative to describe state criteria for determining areas of active corrosion) Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

Yes, a review of Nustar Terminal Operations Partnership inspection on December 10, 2014 confirm VSCC reviewed this item. No areas of concern.

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- | | | | |
|----------|---|---|---|
| 9 | Did the state adequately review for compliance operator procedures for abandoning pipeline facilities and analyzing pipeline accidents to determine their causes? (NOTE: PHMSA representative to describe state criteria for determining compliance with abandoning pipeline facilities and analyzing pipeline accidents to determine their causes) Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

Yes, a review of Nustar Terminal Operations Partnership inspection on December 10, 2014 confirm VSCC reviewed this item. No areas of concern.

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- | | | | |
|-----------|--|---|---|
| 10 | Is the state aware of environmentally sensitive areas traversed by or adjacent to hazardous liquid pipelines? (reference Part 195, review of NPMS) Yes = 1 No = 0 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes, a review of Nustar Terminal Operations Partnership inspection on December 10, 2014 confirm VSCC reviewed this item.

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- | | | | |
|-----------|--|---|---|
| 11 | Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 195.402(c)(5)? Yes = 1 No = 0 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

VSCC continues to monitor the operator's records for accidents when they occur. However, in CY2014 no accidents and failures occurred on intrastate hazardous liquid facilities.

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- | | | | |
|-----------|--|---|---|
| 12 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

Yes. VSCC staff members continue to review the operator's annual reports and record the results into their PIPES data base. This information is used in the risk ranking model to determine their inspection schedule.

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

Evaluator Notes:

Yes, a review of IMP and OQ data bases found inspection reports have been uploaded for each type of inspection. No areas of concern.

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- | | | | |
|-----------|--|---|---|
| 14 | Has state confirmed intrastate operators have submitted information into NPMS database along with changes made after original submission? Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes, this was checked and listed on Federal Form 3, Standard Inspection of a Liquid Pipeline Carrier.

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

Evaluator Notes:

Yes, a review of the inspection report for TransMontaigne Service, Inc. on December 10, 2014 found VSCC verified the operator is conducting drug and alcohol testing as required by the regulations.

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- | | | | |
|-----------|---|---|---|
| 16 | Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 195 Part G Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

Yes, this is performed by the inspector during field or office inspections of the hazardous liquid operator. No issues.

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- | | | | |
|-----------|--|---|---|
| 17 | Is state verifying operator's hazardous liquid integrity management (L IMP) Programs are up to date? This should include a previous review of LIMP 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 195.452 Appendix C Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

Yes, VSCC conducted protocol inspections on all intrastate operators and reviewed the plans along with monitoring the operator's action. No issues.

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- | | | | |
|-----------|---|---|---|
| 18 | 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 195.440 PAPEI Effectiveness Inspections should have been completed by December 2013 Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

Yes, VSCC completed all PAPEI inspections for NuStar Energy and TransMontaigne by December, 2013.

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- | | | | |
|-----------|--|---|---|
| 19 | 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). Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes, this is accomplished via VSCC web site and meeting with company officials.

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- | | | | |
|-----------|---|---|----|
| 20 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|---|---|----|

Evaluator Notes:

No safety related conditions reports were filed in CY2014.

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|-----------|--|---|---|
| 21 | Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA? Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes, a review of email correspondence from Brent Heverly dated January 24, 2014 indicated VSCC responded to questions about the mapping and units in VA and NC.

| | | | |
|-----------|---|---|---|
| 22 | If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate.(New Question for CY2013, no points until CY2015 evaluation conducted in CY2016.) Info Only = No Points | 0 | 0 |
|-----------|---|---|---|

Evaluator Notes:

NA. No special permits or waivers have been issues by VSCC for hazardous liquid operators.

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|-----------|---|---|---|
| 23 | Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated? (New Question for CY2014, no points first year) Info Only = No Points | 0 | 0 |
|-----------|---|---|---|

Evaluator Notes:

Yes, Massoud Tahamtani attended the 2014 NAPSRS Board of Director's meeting in Springfield, IL.

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|-----------|---|---|---|
| 24 | Discussion on State Program Performance Metrics found on Stakeholder Communication site ? (question will be rolled up and included as part of Question C-12 on future evaluations) http://primis.phmsa.dot.gov/comm/states.htm Info Only = No Points | 0 | 0 |
|-----------|---|---|---|

Evaluator Notes:

Yes, discussed with VSCC staff information about the website and information on performance metrics to improve their program. No issues.

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

Evaluator Notes:

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

Total points scored for this section: 40
Total possible points for this section: 40



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 Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Procedures to notify an operator (company officer) when a noncompliance is identified | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

- a. This is located in VSCC Pipeline Safety Procedure Appendix 7, PIPELINE SAFETY ENFORCEMENT PROCEDURES FOR JURISDICTIONAL OPERATORS, page 35-36. Notification is sent to company compliance representative or officer as described on page 36.
- b. Procedures to routinely review compliance action is listed on page 17, Follow-up Inspection. "Follow up reviews to determine compliance with the Commission's Orders is performed by the Office Manager to ensure operators' perform the required tasks detailed as part of remedial measures in the Orders".

- | | | | |
|----------|--|---|---|
| 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 Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | NA |
| a. | Were compliance actions sent to company officer or manager/board director if municipal/government system? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Were probable violations documented? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Were probable violations resolved? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Was the progress of probable violations routinely reviewed? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

- No violations or compliance action was taken in CY2014. However, if action is required VSCC will follow their written procedures.
- a. None were required in CY2014.
- b. None were found in CY2014.
- c. None were found in CY2014.
- d. If cited or issued they would be review those violations.

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

Evaluator Notes:

No violations or compliance action was taken in CY2014.

- | | | | |
|----------|---|---|----|
| 4 | Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary. Yes = 2 No = 0 | 2 | NA |
|----------|---|---|----|

Evaluator Notes:

No violations or compliance action was taken in CY2014.

- | | | | |
|----------|---|---|---|
| 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) Yes = 2 No = 0 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

Yes, Program Manager and staff members are familiar with imposing civil penalties. However, no violations or compliance action was taken in CY2014.

- | | | | |
|----------|--|---|---|
| 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, CY2013, VSCC assessed and collected \$2,000.00 from NuStar Energy LP.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

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

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



PART E - Accident Investigations

Points(MAX) Score

- 1 Does the state have written procedures to address state actions in the event of an incident/accident? 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. This item is listed and located on page 43, of VSCC Pipeline Safety Procedure Manual, Incident Investigation Procedures. No issues.

- 2 Does state have adequate mechanism to receive and respond to operator reports of accidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 2 2

Yes = 2 No = 0 Needs Improvement = 1

- a. Acknowledgement of MOU between NTSB and PHMSA (Appendix D) Yes ☒ No ☐ Needs Improvement ☐
- b. Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

- a. This item is listed and located on page 44 of VSCC procedure manual under sub-topic On-Site Investigation.
- b. This item is listed and located on page 45 of VSCC procedure manual under sub-topic, On-Site Investigation.

- 3 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 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, no incident occurred in CY2014. However, this item is listed and located on page 45 of VSCC Pipeline Safety Procedure Manual.

- 4 Were all accidents investigated, thoroughly documented, and with conclusions and recommendations? 3 NA

Yes = 3 No = 0 Needs Improvement = 1-2

- a. Observations and document review Yes ☐ No ☒ Needs Improvement ☐
- b. Contributing Factors Yes ☐ No ☒ Needs Improvement ☐
- c. Recommendations to prevent recurrences where appropriate Yes ☐ No ☒ Needs Improvement ☐

Evaluator Notes:

No incidents or accidents occurred in CY2014.

- 5 Did the state initiate compliance action for violations found during any incident/accident investigation? 1 NA

Yes = 1 No = 0

Evaluator Notes:

No incidents or accidents occurred in CY2014.

- 6 Did the state assist region office by taking appropriate follow-up actions related to the operator accident 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 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, PHMSA Eastern Region is notified of all information and reports pertaining to incidents including final reports.

- 7 Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPS Region meetings, state seminars, etc) 1 1

Yes = 1 No = 0

Evaluator Notes:

Yes, this is discussed at the TQ Seminars, monthly Damage Prevention Advisory Committee meetings and NAPSR Eastern Region Meeting.

8 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

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

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

Evaluator Notes:

Yes, VSCC includes this question along with four others on NTSB in each of the inspections performed on their hazardous liquid operators. A review of the inspection performed on NuStar Terminal Operations Partnership, LP dated December 10, 2014 indicated this item was reviewed with the operator.

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

Evaluator Notes:

Yes, VSCC reviews this item on the federal Standard Inspection Report of A Liquid Pipeline Carrier form 3, page 23 of 27. A review of an inspection performed on NuStar Energy, LP dated December 10, 2014, confirm this question was reviewed with the operator.

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

Evaluator Notes:

Yes, VSCC adopted the CGA Best Practices and continues to provide information to all stakeholders and operators on marking, hand digging and directional drilling.

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

Evaluator Notes:

Yes, VSCC continues to maintain a database on the number of pipeline damages that are reported by the operator to their agency. In CY2014 damages per 1,000 tickets was 1.35.

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

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:

Kinder Morgan (Plantation Pipeline) Jim Colvig, Sr. Right of Way Specialist & Rick Meadows, Inspector

Name of State Inspector(s) Observed:

James Fisher, Senior Utilities Engineer & Shane Ayers, Program Manager

Location of Inspection:

Construction site: Bauer Road & Flemming Road in Staffer County, VA

Date of Inspection:

May 28, 2015

Name of PHMSA Representative:

Glynn Blanton, US DOT/PHMSA State Programs

Evaluator Notes:

This was a construction inspection to review the pipeline project being performed by L.E. Bell Construction for Kinder Morgan (Plantation Pipeline). The existing pipeline located on CSX right of way was in conflict with a proposed third rail line to be installed. Due to the elevation and limited railroad right of way, the new steel 12" X 42 pipeline will be directionally installed. The inspection reviewed company procedures on welds, welder qualifications, x-rays, type of material and other construction practices. An onsite review of sections of the pipeline that have been successfully welded and several randomly located welds were performed.

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

Evaluator Notes:

Yes, Kinder Morgan (Plantation Pipeline) Jim Colvig, Sr. Right of Way Specialist & Rick Meadows, Inspector, were notified on May 14, 2015.

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

Evaluator Notes:

Yes, observed James Fisher recording information about the project into field book and PIPES database program.

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

Evaluator Notes:

Yes, detailed information about the project and items checked where well documented.

- 5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps, valve keys, half cells, etc) 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes, during office and field inspection James Fisher checked the company's procedure manual and construction equipment for compliance.

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

d. Other (please comment)

☐

Evaluator Notes:

Yes, James Fisher reviewed Kinder Morgan's written procedures, welding and x-ray records, welder qualification documents, manufacture date of pipeline and visual review of welds located along the pipeline.

7 Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable)

2

2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, James Fisher has completed all Hazardous Liquid Safety courses at TQ. He has excellent regulatory knowledge with many years of experience in hazardous liquid pipeline safety regulations with the US Army prior to joining VSCC.

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)

1

1

Yes = 1 No = 0

Evaluator Notes:

Yes, James Fisher conducted an exit interview with Jim Colvig and Rick Meadows. No violations were found or cited.

9 During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable)

1

1

Yes = 1 No = 0

Evaluator Notes:

No violations were found or cited.

10 General Comments: 1) What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) 2) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 3) Other

Info Only Info Only

Info Only = No Points

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

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|----|-----------------------------------|-------------------------------------|
| 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 type="checkbox"/> |
| D. | Valve Maintenance | <input type="checkbox"/> |
| E. | Vault Maintenance | <input type="checkbox"/> |
| F. | Welding | <input checked="" type="checkbox"/> |
| G. | OQ - Operator Qualification | <input type="checkbox"/> |
| H. | Compliance Follow-up | <input type="checkbox"/> |
| I. | Atmospheric Corrosion | <input type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

See Evaluator Notes listed under question G.1.

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



PART H - Interstate Agent State (if applicable)**Points(MAX) Score**

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

Evaluator Notes:

Yes, they used the Federal Inspection Form IA for all items. On construction activities or inspections they use the Federal Form 7, entitled, Evaluation Report of Liquid Pipeline Carrier.

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

Evaluator Notes:

Yes, a review of the PHMSA CY2014 Directed Inspection Plan found the following: twenty-nine inspection units were assigned to VSCC. Checking the inspection documents it was found 19 were completed and 10 were moved into CY2015 Direct Inspection plan.

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

Evaluator Notes:

Yes, a review of the 19 inspections found VSCC filed within the 60 days requirement to PHMSA Eastern Region office all inspection reports.

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

Evaluator Notes:

Yes, one probable violation, 195.561 (a), was cited against Plantation Pipe Line Company on August 29, 2014. Communications with PHMSA Eastern Region was conducted and updates on the violation was reviewed within a sixty day schedule.

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

Evaluator Notes:

No safety hazardous conditions were reported in CY2014,

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

Evaluator Notes:

Yes, a review of the Plantation Pipe Line Company inspection report show PHMSA Eastern Region was notified of the one violation found on August 29, 2014.

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

Evaluator Notes:

Yes, VSCC submitted documentation and supporting findings to PHMSA Eastern Region on December 4, 2014.

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

Evaluator Notes:

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

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



PART I - 60106 Agreement State (if applicable)**Points(MAX) Score**

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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|----------|--|-----------|-----------|
| 7 | General Comments: 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