



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

1200 New Jersey Avenue SE
Washington DC 20590

2015 Gas State Program Evaluation

for

ILLINOIS COMMERCE 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)



2015 Gas State Program Evaluation -- CY 2015

Gas

State Agency: Illinois

Agency Status:

Date of Visit: 05/17/2016 - 07/28/2016

Agency Representative: Matthew Smith (Program Evaluation), Bill Riley (Field Evaluation)

PHMSA Representative: David Lykken

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

Name/Title: Brien Sheahan, Chairman

Agency: Illinois Commerce Commission

Address: 572 East Capitol Avenue

City/State/Zip: Springfield, IL 62794-9280

Rating:

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

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 2015 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

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

Scoring Summary

PARTS

Possible Points Points Scored

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

10	9.5
13	11.5
49	43.5
15	15
11	11
8	8
12	12
0	0
0	0

TOTALS

118 110.5

State Rating

93.6

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: No issues noted			
2	Review of Inspection Days for accuracy - Progress Report Attachment 2 Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: Field days appear to correspond with inspection reports reviewed. The program fell short of the required minimum number of inspection person days (663) required due to ongoing staffing issues. Total number of inspection days in CY2015 were 538.			
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: No issues noted. Two master meter operators no longer in operation.			
4	Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 Yes = 1 No = 0 Needs Improvement = .5	1	0.5
Evaluator Notes: Three incidents reported to the NCR in CY2015. Only one captured under Attachment 4. Progress Report has been updated with corrected information.			
5	Accuracy verification of Compliance Activities - Progress Report Attachment 5 Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: Numbers appear to match database information.			
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. Records readily available via agency's pipeline database. Easily navigable. Search tools useful.			
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: No issues noted. Having ongoing issues with retention of inspection staff due to retirements and other career opportunities.			
8	Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: Working to adopt 3/06/2015 & 10/1/2015 miscellaneous changes to regulations and technical standard references. Requires legislative review prior to adoption.			

- 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:

Yes

- 10 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

Total points scored for this section: 9.5
Total possible points for this section: 10



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 | 1 |
|---|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Beginning on page 10. No changes as a result of last years program evaluation. Need to incorporate pre-inspection activities, inspection activities, post-inspection activities.

- | | | | |
|---|--|---|-----|
| 2 | IMP and DIMP 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 | 0.5 |
|---|--|---|-----|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Pages 18 & 19. No changes made as a result of last year's program evaluation noting the need for additional procedures to ensure monitoring of integrity assessments and remedial action(s) taken by pipeline operators.

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

Page 17. 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:

Page 18. No issues.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Page 18. 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:

Pages 15 thru 17. No issues.

- | | | | |
|---|---|---|---|
| 7 | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? | 6 | 6 |
|---|---|---|---|

Yes = 6 No = 0 Needs Improvement = 1-5

- a. Length of time since last inspection (Within five year interval)

Yes ☒ No ☐ Needs Improvement ☐

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

Evaluator Notes:

Procedures state inspection intervals not to exceed 3 years. Pipeline database programmed for same. Suggest revising to 'not to exceed 5 years' due to current staffing situation.

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

Stressed taking time to make necessary updates to written procedures. Repeat issue from CY2014 program evaluation.

Total points scored for this section: 11.5
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):
538.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 6.12 = 1347.50

Ratio: A / B
538.00 / 1347.50 = 0.40

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

Evaluator Notes:

Yes. Requirement met.

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

Requirements met. No issues noted.

- 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:

Making steady progress as Acting PM. Was able to address all questions put forward.

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

Evaluator Notes:

Response letter received within 60 days except did not address one concern which required additional correspondence. Most items not corrected at the time of this evaluation. Recent approval to hire 5 additional inspection staff at the "in-training" level. Written procedures need to be revised. U.S. Steel jurisdictional issue hearing scheduled for June 2016.

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

Evaluator Notes:

Yes. October 21-22, 2014. Next one tentatively scheduled for CY2017.

- 6 Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 5 3
Yes = 5 No = 0 Needs Improvement = 1-4

Evaluator Notes:

U.S Steel Jurisdiction matter not yet settled. Identified several operator units where a record audit had not been performed since CY2012, exceeding the 3 year interval established under the written procedures. Time intervals to be extended to not exceeding 5 years with a continued goal to complete all within 3 years. Will continue to be an issue in the interim until additional staff are hired and trained.

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

Good inspector notes observed. Incorporated additional comments when "not applicable and "not checked" boxes marked up, as recommended during CY2014 program evaluation.

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

Evaluator Notes:

ILPS Form 3. Page 3 of 9.

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

Evaluator Notes:

ILPS Form 3. Page 3 of 9.

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

Evaluator Notes:

ILPS Form 7. Pages 6/7 of 28.

- | | | | |
|----|--|---|---|
| 11 | Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 192.617? Chapter 5.1
Yes = 1 No = 0 | 1 | 1 |
|----|--|---|---|

Evaluator Notes:

ILPS Form 3. Page 3 of 9.

- | | | | |
|----|--|---|---|
| 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. Observed several inspection reports documenting review of operator Annual Reports.

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|----|---|---|---|
| 13 | Did state input all applicable OQ, DIMP/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. Still having difficulty uploading TIMP inspection forms into the IMDB. Working to correct. And as in CY2014 promoted the use of the IA application for conducting those inspections.

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- | | | | |
|-----------|---|---|---|
| 14 | Has state confirmed intrastate transmission 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:

No issues.

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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:

Reviewed completed D&A inspections conducted in CY2015. A total of 93 reported under Attachment 2 of the Progress Report.

In instances where multiple operators contracted with the same third party administrator, an ICC Analyst performed an inspection of the Master Drug and Alcohol Plan and associated records for each of the operators at third party's location.

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

Evaluator Notes:

A number of written plan reviews conducted in 2015. Only 6 field observations performed in 2015. Stressed again the need to perform more frequent field validation utilizing PHMSA Form 15.

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

Evaluator Notes:

No improvements from CY2014. Again stressed the need to perform regular field observations of operator integrity tests and corrective actions taken.

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- | | | | |
|-----------|--|---|---|
| 18 | Is state verifying operator's gas distribution integrity management Programs (DIMP)?
This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart P DIMP ? First round of program inspections should have been complete by December 2014
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

Reinforced need to conduct field observations of operator integrity tests and remedial action activities taken.

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- | | | | |
|-----------|--|---|---|
| 19 | Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 192.616 (I13-16) PAPEI
Effectiveness Inspections should be conducted every four years per RP1162
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

No issues noted.

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

Evaluator Notes:

Two non T&Q gas seminars hosted by the ICC in 2015 for Small Operators (9/23-24) and for Mayors & City Council/Village Board members (9/22).

Inspection and enforcement documents, and other relevant pipeline safety information posted on agency web site.

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

Evaluator Notes:

No open SRC's in CY2015

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

Evaluator Notes:

No issues. IPLS Form 3.

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

Evaluator Notes:

Yes

- 24 If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate. 1 .5
No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

3 waivers currently active. Nicor - Use of Composite Poly Pipe (Smart Pipe) across Illinois River 9/30/2011; Peoples Gas - Inspection of inside Meter Sets 3/10/2008; AMEREN UE - Leak/Atmospheric Corrosion Survey's 10/3/2006 . No formal mechanism in place to memorialize additional operator requirements including other reporting requirements. No inspections forms notating additional requirements.

- 25 Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated? 1 1
No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

Yes. Due to ongoing state budget issues Acting PM must pay travel costs out of pocket in order to attend.

- 26 Discussion on State Program Performance Metrics found on Stakeholder Communication site - <http://primis.phmsa.dot.gov/comm/states.htm> 2 2
No = 0 Needs Improvement = 1 Yes = 2

- a. Discussion of Potential Accelerated Actions (AA's) based on any negative trends Yes ☒ No ☐ Needs Improvement ☐
b. NTSB P-11-20 Meaningful Metrics Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Yes, did discuss.

- 27 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

Will continue to have ongoing issues for the foreseeable future in trying to achieve minimum number of field inspection days, completing all inspection types and operator units due to state budget issues and loss of qualified inspection staff.

Total points scored for this section: 43.5
Total possible points for this section: 49



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
- 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:

Page 19-20. Notification to company officer when non-compliance identified. Practice generally followed as observed in review of correspondence to operators. Lesser issues identified brought to the attention of the operator regulatory compliance person.

- 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
- a. Were compliance actions sent to company officer or manager/board member if municipal/government system? Yes ☐ No ☒ Needs Improvement ☐
- b. Document probable violations Yes ☐ No ☒ Needs Improvement ☐
- c. Resolve probable violations Yes ☐ No ☒ Needs Improvement ☐
- d. Routinely review progress of probable violations Yes ☐ No ☒ Needs Improvement ☐
- e. Were applicable civil penalties outlined in correspondence with operator(s) Yes ☐ No ☐ Needs Improvement ☒

Evaluator Notes:

Issues well documented. Remedial actions taken by operator to resolve non-compliance follow-up on. Correspondence currently makes reference to "penalties as allowed" under the relevant state code. Letter templates will be modified state specific civil penalty amounts.

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

Evaluator Notes:

Yes. Including several penalties assessed and collected in CY2015.

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

Evaluator Notes:

Yes. No issues noted. Correspondence to operators outline procedures for challenging where a penalty or corrective action has been recommended.

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

Evaluator Notes:

Yes. As noted earlier several penalties assessed and collected in CY2015.

- 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 as previously noted. Several (7) civil penalties assessed & collected (8) in 2015 totaling \$1,698,900.

7 General Comments:

Info Only = No Points

Evaluator Notes:

Info OnlyInfo Only

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



PART E - Incident 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:

Pages 22 thru 28.

- 2 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 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:

24hr incident notification number for reporting accidents. Records adequate.

- 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:

No issues noted.

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

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 when appropriate Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

No issues noted.

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

Yes = 1 No = 0

Evaluator Notes:

Yes, when non-compliance identified.

- 6 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 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

No issues identified. One reportable remains open in PDM. A request by pipeline operator to rescind NRC report has been filed with PHMSA Central Region.

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

Yes = 1 No = 0

Evaluator Notes:

8

General Comments:

Info Only = No Points

Evaluator Notes:

Info OnlyInfo Only

Total points scored for this section: 11
Total possible points for this section: 11



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

Evaluator Notes:

ILPS Form 7 O&M&Construction Checklist - Page 6 of 28.

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

ILPS Form 3. Pg. 3 of 9

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

ILPS Form 3. Pg. 4 of 9

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

ILPS Form 3. Pg. 3 of 9

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

Evaluator Notes:

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:

Peoples Gas

Name of State Inspector(s) Observed:

Kevin Heckler, Bryan Pemble

Location of Inspection:

City of Chicago, Peoples Gas - Central Shop

Date of Inspection:

07/26-28/2016

Name of PHMSA Representative:

David Lykken

Evaluator Notes:

7/26/2016 - Cathodic Protection system checks performed. Rectifier installations inspected, pipe to soil readings, isolated facilities, casing installations for adequate electrical isolation. Checked general condition of meter manifolds at apartment complex. Issues identified (noted under question G-9).

7/27/2016 - Observed contract locator marking underground gas facilities at various locations. Odorization checks. Curb valve location and accessibility. Pressure regulating station inspected and tested. Worker/Monitor set. Issues identified (Noted under question G-9).

7/28/2016 - Tested remotely and manually operated valves. Observed CI and service replacement project.

- 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. Operator was notified in advance and key company personnel were made available.

- 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. Form ILPS #4 (Standard Inspection Report Of A Gas Operator Field Audit) utilized during inspections.

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

Evaluator Notes:

Yes. Inspector observations were well documented. Recorded findings noted under Question G9.

- 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.) 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes. Inspectors observed both butt fusion (main) and service tee electro-fusion production joining, mechanical compression type fitting, and pressure testing equipment. Manometers during pressure regulator station testing. Heath odorator during odorization sniff testing, Multimeter and half-cell calibration during rectifier and other pipe to soil readings.

- 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 ☒

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

Evaluator Notes:

Yes. No issues noted. Inspectors asked good questions during field observations. Communicated with operator each time an issue was identified instead of waiting until exit interview. Most items corrected before or being addressed at time of exit interview.

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

Evaluator Notes:

Yes. Inspectors demonstrated adequate knowledge.

- | | | | |
|---|---|---|---|
| 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)
Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

Yes. Exit interview conducted. Issues expressed both during field observations and during exit interview. Many of the issues identified have been or were currently being remediated by the operator.

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

Evaluator Notes:

July 26: Apartment complex located near W. Adams and S. Damen. Exposed service riser bend and coating disbonded. Meter manifolds have general atmospheric corrosion requiring cleaning and paint. One small area with wall lose. Meter manifold in two locations resting up against apartment building does not allow for proper inspection for atmospheric corrosion. End caps welded to ends of two manifolds not installed to company specifications. Manifold pipe ends crimped and ends welded with what appears to be scrape metal plate. Welds of poor quality. Vents screens missing on a couple of pressure regulators. Inspector requested records of last atmospheric corrosion survey conducted at this location.

7/27: Locating contractor had difficulty at one location pinpointing location of gas main. Additional assistance required. Locate may not have been completed by the due date and time required per locate ticket. During Odorization check at high school observed regulator vents installed in close proximity to air vent intakes. Vents need to be relocated. Operator had difficulty locating curb valve installed on 4-inch service to H.S. Valve not noted on original service installation record. Valve box located and valve readily accessible. Maps and service record need to be updated.

- | | | | |
|----|---|-----------|-----------|
| 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 = No Points | Info Only | Info Only |
|----|---|-----------|-----------|

- 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	<input type="checkbox"/>
k.	Emergency Procedures	<input type="checkbox"/>
l.	Inspection of Right-of-Way	<input type="checkbox"/>
m.	Line Markers	<input type="checkbox"/>
n.	Liaison with Public Officials	<input type="checkbox"/>
o.	Leak Surveys	<input type="checkbox"/>
p.	MOP	<input type="checkbox"/>
q.	MAOP	<input checked="" type="checkbox"/>
r.	Moving Pipe	<input type="checkbox"/>
s.	New Construction	<input type="checkbox"/>
t.	Navigable Waterway Crossings	<input type="checkbox"/>
u.	Odorization	<input checked="" 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 checked="" type="checkbox"/>
E.	Vault Maintenance	<input checked="" type="checkbox"/>
F.	Welding	<input type="checkbox"/>
G.	OQ - Operator Qualification	<input type="checkbox"/>
H.	Compliance Follow-up	<input type="checkbox"/>
I.	Atmospheric Corrosion	<input checked="" type="checkbox"/>
J.	Other	<input type="checkbox"/>

Evaluator Notes:

Inspectors did good job of noting observations during site visits and observed a number of questionable practices that did not conform to company standards and procedures. Staff checked condition of crew equipment such as fusion gear, pressure testing devices, Odorization, etc. Checked accuracy of underground utility marks and requested dig tickets from contractor on site.

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 | NA |
|----------|--|---|----|

Evaluator Notes:

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

Evaluator Notes:

- | | | | |
|----------|--|---|----|
| 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 | NA |
|----------|--|---|----|

Evaluator Notes:

- | | | | |
|----------|---|---|----|
| 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 | NA |
|----------|---|---|----|

Evaluator Notes:

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

- | | | | |
|----------|--|---|----|
| 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 | NA |
|----------|--|---|----|

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

Section not applicable

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

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:

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

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

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

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

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

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

Evaluator Notes:

Section not applicable

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