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

INDIANA UTILITY REGULATORY 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: Indiana
Rating:
Agency Status:
60105(a): Yes **60106(a):** No **Interstate Agent:** No
Date of Visit: 07/18/2016 - 07/29/2016
Agency Representative: Steve Allen, Director, & Bill Boyd, Division Manager
PHMSA Representative: Patrick Gaume
Commission Chairman to whom follow up letter is to be sent:

Name/Title:	Carol A. Stephan, Chair
Agency:	Indiana Utility Regulatory Commission
Address:	101 West Washington Street, Suite 1500 East
City/State/Zip:	Indianapolis, Indiana 46204-3407

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 then the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

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

Scoring Summary

PARTS		Possible Points	Points Scored
A	Progress Report and Program Documentation Review	10	10
B	Program Inspection Procedures	13	13
C	Program Performance	49	48
D	Compliance Activities	15	15
E	Incident Investigations	10	10
F	Damage Prevention	8	8
G	Field Inspections	12	12
H	Interstate Agent State (If Applicable)	0	0
I	60106 Agreement State (If Applicable)	0	0
TOTALS		**117**	**116**
State Rating			**99.1**

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:

A1. Yes. Attachment 1 is consistent with internal records & with Attachments 3 and 8.

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

Evaluator Notes:

A2. Yes. Attachment 2 is consistent with internal records (a database that is exported to a spreadsheet).

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:

A3. Yes. Attachment 3 is consistent with internal records.

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

Evaluator Notes:

A4. Yes. Attachment 4 is correct.

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

Evaluator Notes:

A5. Yes. Attachment 5 is consistent with internal records.

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

Evaluator Notes:

A6. Yes. Most of the records in Attachment 6 are now electronic, but several of these records also have paper files.

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:

A7. Yes. Attachment 7 appears to be consistent with internal records.

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:

A8. Yes. Attachment 8 is consistent with IN Law.

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

Evaluator Notes:

A9. Yes. Attachment 10 is a well-developed report.

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10 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

A10. Yes. The IURC has done a good job with documenting and tracking its inspection activities for annual reporting purposes. The 2015 Annual Progress Report was complete and accurate. With that said, the effort involved with tracking these activities within the current IT systems is Herculean. The replacement Pipeline Safety Information System (expected to be launched in 2016) should greatly enhance the IURC's abilities in this regard. Also, in Attachment 10 of the Annual Progress Report (Performance and Damage Prevention Questions), it is clear the IURC has a very strong Damage Prevention Program in place for which it should be commended.

Total points scored for this section: 10
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. Yes = 2 No = 0 Needs Improvement = 1	2	2

Evaluator Notes:
B1. Yes. Inspection procedures including risk model, selection, assignment, pre-inspection, inspection, post inspection, write up, violation handling & closing for all types of inspections are described in Sections V & VI of the program manual.

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

Evaluator Notes:
B2. Yes. Inspection procedures including risk model, selection, assignment, pre-inspection, inspection, post inspection, write up, violation handling & closing for all types of inspections are described in Sections V & VI of the program manual.

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

Evaluator Notes:
B3. Yes. Inspection procedures including risk model, selection, assignment, pre-inspection, inspection, post inspection, write up, violation handling & closing for all types of inspections are described in Sections V & VI of the program manual.

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

Evaluator Notes:
B4. Yes. Inspection procedures including risk model, selection, assignment, pre-inspection, inspection, post inspection, write up, violation handling & closing for all types of inspections are described in Sections V & VI of the program manual. In addition, IURC has developed a Damage Prevention Inspection Form which is used as an addendum to the standard inspection form and expands the Damage Prevention review.

5	Any operator training conducted should be outlined and appropriately documented as needed. Yes = 1 No = 0 Needs Improvement = .5	1	1

Evaluator Notes:
B5. Yes. Operator Training is addressed in Section V of the program manual under its own sub-heading.
I advised IURC to better describe what they actually do to bring the manual into better agreement with their actual practice.

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

Evaluator Notes:
B6. Yes. Inspection procedures including risk model, selection, assignment, pre-inspection, inspection, post inspection, write up, violation handling & closing for all types of inspections are described in Sections V & VI of the program manual. Construction Inspection is addressed in Section V of the program manual under its own sub-heading.

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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 ◉	No ○	Needs Improvement ○
c. Type of activity being undertaken by operators (i.e. construction)	Yes ◉	No ○	Needs Improvement ○
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:

B7. Yes. See Section IV of the program manual, "Data-Driven Risk Model and ?" sub-heading.

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8 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

B8. Yes. The IURC's operating procedures manual provides adequate guidance and documentation for their program. However, pending changes in their Information Technology platform will require significant changes to these procedures. The program's data-driven risk model which drives the annual Inspection Plan is mature and effective in determining the relative riskiness of operators and corresponding inspection units.

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 Yes = 5 No = 0 A. Total Inspection Person Days (Attachment 2): 794.00 B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7): 220 X 8.58 = 1888.33 Ratio: A / B 794.00 / 1888.33 = 0.42 If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0 Points = 5	5	5

Evaluator Notes:

C1. Yes. 794 AFOD, 8.58 inspector-years, 794/(8.58*220)=.421, >.38, okay.

		Points(MAX)	Score
2	Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 Yes = 5 No = 0 Needs Improvement = 1-4	5	5

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 ○
e.	Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector.	Yes ◉	No ○	Needs Improvement ○

Evaluator Notes:

C2. Yes. All inspectors with 3+ years have completed their training. New inspectors are in the training cycle. All Inspectors attend one of the Purdue NACE corrosion courses annually.

		Points(MAX)	Score
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 Yes = 2 No = 0 Needs Improvement = 1	2	2

Evaluator Notes:

C3. Yes. Steve & Bill make a great tag team! They are running a fine program. They show great knowledge.

		Points(MAX)	Score
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 Yes = 2 No = 0 Needs Improvement = 1	2	2

Evaluator Notes:

C4. Yes. The Chairman letter was 12/8/2015, the Chairman response was 2/3/2016. The response addressed the issue of concern.

		Points(MAX)	Score
5	Did State hold PHMSA TQ Seminar in Past 3 Years? Chapter 8.5 Yes = 2 No = 0	2	2

Evaluator Notes:

C5. Yes, in June of 2015. Practice is for every other year.

		Points(MAX)	Score
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:

C6. Yes. Reviewed for Standard, LIMP, GIMP, DIMP, PAPEI, CRM, & OQ; All okay.

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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 1

Evaluator Notes:
C7. NI, 1 OF 2 PTS. Discovered that Distribution Standard Inspections are NOT being inspected for welding procedures for many small LDCs. We discussed strategies for rectifying the problem. It was also noted that the Standard Inspection has been broken into modules and there appears to be inadequate tracking of all of the modules to ensure that no portion of the standard inspection falls outside of the 5-year maximum inspection interval. IURC uses the Federal Forms and addendum questions as the basis for its State Forms. I noted that some inspections are spread out over multiple years, which is a problem inherent in using a module system for inspections. I advised IURC that it is likely that portions of the inspection will be missed and fall out of the 5 yr inspection period if that practice continues.

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

1 1

Evaluator Notes:
C8. Yes it is on the Std Insp Form #2, Part 192.489 (b), & in the IA Corrosion module, question 27 in Procedures.

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

1 1

Evaluator Notes:
C9. Yes it is on the Std Insp Form- #2; pg 4 Part 192.613(a), & in the IA Distr O&M module, question 1 in Continuing Surveillance.

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

1 1

Evaluator Notes:
C10. Yes it is on the Std Insp Form- #2; pg 4 Part 192.615 (a) (7), & in the IA Distr O&M module, question 8, pg 8, in Emergency Response.

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

1 1

Evaluator Notes:
C11. Yes. It is on the Std Insp Form- #2; pg 6 of 26 Part 192.617, & in the IA Distr O&M module, question 2, pg 9, in Failure Investigation.

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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:
C12. Yes. The annual reports are scored against a checklist, and data from the annual reports is used in the Risk Model.

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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 — 2 — 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C13. Yes, the OQ, GIMP, DIMP, & LIMP databases were reviewed and are properly populated.

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14 Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission? — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

C14. Yes. Annual report mileage is compared to NPMS mileage for all transmission operators as an annual exercise.

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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 — 2 — 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C15. Yes. All operators receive the long form and/or short form D&A inspection within the inspection interval.

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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 — 2 — 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C16. Yes. Full OQ re-inspections are current; OQ Field inspections are part of most Standard Inspections.

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17 Is state verifying operator's gas transmission integrity management programs (IMP) are up to date? This should include a previous review of IMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart 0 — 2 — 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C17. Yes. The GIMP, LIMP, & DIMP re-inspections are current, HCA and new constructions are investigated relative to IMP during most standard inspections.

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18 Is state verifying operator's gas distribution integrity management Programs (DIMP)? This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart P DIMP ? First round of program inspections should have been complete by December 2014 — 2 — 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C18. Yes. The DIMP inspections are current, and new constructions are investigated relative to DIMP during most standard inspections

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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 — 2 — 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C19. Yes. The PAPEI inspections were finished in 2013, and Public Awareness is touched on during all Standard Inspections.

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20 Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public). 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

C20. Yes, bi-annual TQ Safety Seminars, email announcements as appropriate, ad hoc & inspection training, MM training seminars, and has a website for information for all stakeholders.

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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:

C21. NA. no SRC in 2015. Had a NG SRC in May, 2016, Last one before then was about 2005.

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22 Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

C22. Yes. Aldyl is a Question on the form, conducted during DIMP inspections. That question drives a conversation about other PE pipe.

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23 Did the state participate in/respond to surveys or information requests from NAPSR or PHMSA? 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

C23. Yes. Steve is presently serving as Chairman on the NAPSR Board, and IURC responds to all NAPSR requests.

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24 If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate. 1 1

No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

C24. Yes, a time limit waiver that was issued in 2013 for an extension to 12/31/2013, and is no longer applicable.

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25 Did the state attend the National NAPSR Board of Directors Meeting in CY being evaluated? 1 1

No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

C25. Yes. Steve & Bill attended Nat'l NAPSR, and Steve became Chairman of the NAPSR Board.

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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:

C26. Yes. The metrics are reviewed. This information is also available from Annual Reports. The graphs are helpful. There are no negative trends that can't be readily explained. Actually, improvements are being seen. Several of the metrics are fed into the inspection risk model and influence who is visited more frequently and which inspection will be done. NTSB P-11-20 Meaningful Metrics has been read and understood, and IURC supports using these metrics as a monitoring and risking resource.

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27 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

C27. Yes. The IURC has in place a very sophisticated risk model along with the associated tools for tracking and scheduling inspections. The overall number of inspection days completed by the IURC was satisfactory based on the number of dedicated pipeline safety inspection staff and the number of operators, miles of main and number of services within the state. The IURC should develop a better system for recording, tracking, organizing and consolidating individual inspection documents. This should be addressed with the new Pipeline Safety Information System.

Total points scored for this section: 48
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	4	4
	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:

D1. Yes. See Section VI in the Program Manual.

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	4
	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:

D2. Yes. The process as described in Section VI is used every time.

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

Evaluator Notes:

D3. Yes. The violations found were identified in the violation letters.

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

Evaluator Notes:

D4. Yes. Due process is given to all.

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 Needs Improvement = 1	2	2

Evaluator Notes:

D5. Yes. IURC has developed a matrix for fine assessment.

6	Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations? Yes = 1 No = 0 Needs Improvement = .5	1	1

Evaluator Notes:

D6. Yes. Assessed $180,000 fine in CY2013.

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

Evaluator Notes:

D7. Yes. The IURC has shown it uses several of the enforcement methods available to it to ensure operators comply with pipeline safety regulations. In addition to the use of Warning Letters, Notices of Probable Violations and the issuance of civil fines, etc., the IURC also will work collaboratively with operators to gain compliance.

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

Evaluator Notes:

E1. Yes. See Section IX of the Program Manual.

		Points(MAX)	Score
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 Yes = 2 No = 0 Needs Improvement = 1	2	2

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:

E2. Yes. The 24 hr no. is 317-232-2707. IURC is very aware of appendix D & E.

		Points(MAX)	Score
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 Yes = 1 No = 0 Needs Improvement = .5	1	1

Evaluator Notes:

E3. Yes. Most significant incidents/accidents are investigated on-site. The others are reviewed telephonically, with emails, with 30 day reports, and with other timely written reports.

		Points(MAX)	Score
4	Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? Yes = 3 No = 0 Needs Improvement = 1-2	3	3

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:

E4. Yes, Attachment 4 of the Base Grant Progress Report is adequate, and the Incident/Accident files are complete.

		Points(MAX)	Score
5	Did the state initiate compliance action for violations found during any incident/accident investigation? Yes = 1 No = 0	1	NA

Evaluator Notes:

E5. NA. No probable violations were discovered concerning the two reportable incidents in CY 2015.

		Points(MAX)	Score
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 Yes = 1 No = 0 Needs Improvement = .5	1	1

Evaluator Notes:

E6. Yes, Appendix E in the Guidelines is understood and IURC will assist whenever requested.

		Points(MAX)	Score
7	Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPSR Region meetings, state seminars, etc) Yes = 1 No = 0	1	1

Evaluator Notes:

E7. Yes, during the Central Region NAPSR meetings.

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8 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

E8. There were two reportable incidents in CY 2015. Each incident was investigated thoroughly for compliance with the regulations and for lessons learned. One investigation is still ongoing, and is waiting on pipe failure analysis.

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

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:

F1. Yes, It is a question on the Std Insp Form

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:

F2. Yes, the questions are on the IN State -Damage Prevention Form which is used as an addendum to every Standard Inspection.

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:

F3. Yes, the IURC is actively engaged with the various Damage Prevention Councils that exist throughout the state. They are also actively engaged with the state's Underground Plant Protection Advisory Committee and are aggressively enforcing the state's One-Call Law.

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:

F4. Yes, 'hits per thousand' is rolled into the risk management model.

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

Evaluator Notes:

F5. In Indiana, fines collected for One-Call violations are dedicated to damage prevention efforts. This is accomplished by developing programs related to Public Awareness, Training and Incentives designed to reduce excavation damages. This is clearly an area of high interest in Indiana. The IURC has also developed a Damage Prevention specific Inspection Form and is doing a good job holding all operators accountable for damage prevention through inspections and enforcement of the state's One-Call law. IURC supports numerous small fines to encourage compliance with Damage Prevention; as such it has issued fines 1.9M$, collected 1.1M$, from 669 individual penalties since inception in 2012; for an average of $1644 collected/penalty.

Total points scored for this section: 8
Total possible points for this section: 8

PART G - Field Inspections

		Points(MAX)	Score
1	Operator, Inspector, Location, Date and PHMSA Representative Info Only = No Points	Info Only	Info Only

Name of Operator Inspected:
Indiana Gas, opid 08070 & SIGECo, opid 18508; both dba Vectren

Name of State Inspector(s) Observed:
Chuck Weindorf, Inspector

Location of Inspection:
Columbus & Greensburg, IN & Franklin, IN

Date of Inspection:
7/19-20/16

Name of PHMSA Representative:
Patrick Gaume

Evaluator Notes:

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

Evaluator Notes:
G2. Yes. They had been contacted and they dedicated personnel for the inspection. The Operator's personnel actively participated both days.

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

Evaluator Notes:
G3. Yes. IURC used the IA corrosion form which was then enhanced to include the relevant Regulation codes, GPTC guidance as applicable, and additional IURC notes to the inspectors.

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

Evaluator Notes:
G4. Yes. He filled out the form.

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.) Yes = 1 No = 0	1	1

Evaluator Notes:
G5. Yes. The Corrosion Tech had tools, multi meters, and half-cell; sufficient for CP readings and rectifier checks.

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

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

Evaluator Notes:
G6. Yes. Corrosion Field activities, with continuation of the Corrosion procedures and records inspection.

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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:

G7. Yes. Chuck was very knowledgeable about the regulations and about the job he was inspecting.

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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:

G8. Yes. Field audit; Columbus - Industrial Dr, below ground regulator station-needs signage;
----Greensburg - 1406 Park - PL ROW needs to rechecked for encroachment & Vegetation was out of control at the regulator station; also Please verify method of CP protection, what part is anode & what part is rectifier, and where is the isolation kit installed?
----Purchase station at Texas Gas S of Greensburg ? had painting issues and confirmed that one CP test point was low. Chuck requested notice of the mitigation plan.
----Records review in Franklin - NE records, A pipe exam on 12/21/16, WO#13019674, 4" main, CP showed -0.416; this needs to be investigated & needs to be confirmed for pipe replacement in 2018.
----NE records, WO# 856293, pipe exam 12/9/15, 6" bare steel main, Shows extensive external corrosion & heavy internal sediment; a follow-up WO has NOT been issued; Please determine if the computer algorithm is correct to catch these sort of problems concerning 'bare steel' pipe.
----NE records, of 5766 annual CP reads in 2012, 154 were late and 28 were missed. There were 6 missed reads in 2013, and 0 missed reads in 2014 & 2015. This PV was self-reported.

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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:

G9. Yes. Field audit; Columbus - Industrial Dr, below ground regulator station-needs signage;
----Greensburg - 1406 Park - PL ROW needs to rechecked for encroachment & Vegetation was out of control at the regulator station; also Please verify method of CP protection, what part is anode & what part is rectifier, and where is the isolation kit installed?
----Purchase station at Texas Gas S of Greensburg ? had painting issues and confirmed that one CP test point was low. Chuck requested notice of the mitigation plan.
----Records review in Franklin - NE records, A pipe exam on 12/21/16, WO#13019674, 4" main, CP showed -0.416; this needs to be investigated & needs to be confirmed for pipe replacement in 2018.
----NE records, WO# 856293, pipe exam 12/9/15, 6" bare steel main, Shows extensive external corrosion & heavy internal sediment; a follow-up WO has NOT been issued; Please determine if the computer algorithm is correct to catch these sort of problems concerning 'bare steel' pipe.
----NE records, of 5766 annual CP reads in 2012, 154 were late and 28 were missed. There were 6 missed reads in 2013, and 0 missed reads in 2014 & 2015. This PV was self-reported.

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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	☐
y.	Purging	☐
z.	Prevention of Accidental Ignition	☐
A.	Repairs	☐
B.	Signs	☒
C.	Tapping	☐
D.	Valve Maintenance	☐
E.	Vault Maintenance	☐
F.	Welding	☐
G.	OQ - Operator Qualification	☐
H.	Compliance Follow-up	☐
I.	Atmospheric Corrosion	☐
J.	Other	☐

Evaluator Notes:

G10. Yes. f, g, i, l, m, u, B, The primary focus was corrosion. Chuck also observed fences, locks, atmospheric corrosion, site cleanliness, air-soil interface, & vegetation. I invited IRUC to consider OQ Field inspections during specialized inspections and how IRUC inspectors are to address items of concern that are discovered incidentally that are not related to the focus of the specialized inspection.

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:
H1-8. NA. Not an Interstate Agent Program

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:
H1-8. NA. Not an Interstate Agent Program

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:
H1-8. NA. Not an Interstate Agent Program

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:
H1-8. NA. Not an Interstate Agent Program

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:
H1-8. NA. Not an Interstate Agent Program

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:
H1-8. NA. Not an Interstate Agent Program

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:
H1-8. NA. Not an Interstate Agent Program

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

Evaluator Notes:
H1-8. NA. Not an Interstate Agent Program

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:
I1-7. NA. Not a 60106 Program.

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:
I1-7. NA. Not a 60106 Program.

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:
I1-7. NA. Not a 60106 Program.

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:
I1-7. NA. Not a 60106 Program.

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:
I1-7. NA. Not a 60106 Program.

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:
I1-7. NA. Not a 60106 Program.

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

Evaluator Notes:
I1-7. NA. Not a 60106 Program.

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