



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

MARYLAND PUBLIC SERVICE 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: Maryland

Agency Status:

Date of Visit: 04/11/2016 - 05/18/2016

Agency Representative: John J. Clementson, Assistant Chief Engineer

Carlos Acosta, Pipeline Safety Engineer

R.K. Amroliwala, Pipeline Safety Engineer

Kobby Anyinam, Pipeline Safety Engineer

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

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

Name/Title: W. Kevin Hughes, Chairman

Agency: Maryland Public Service Commission

Address: 6 St. Paul Street, 19th Floor

City/State/Zip: Baltimore, MD 21202-6806

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	9.5
49	47
15	15
11	11
8	8
12	12
0	0
0	0

TOTALS

118 112

State Rating

94.9

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:

Reviewed progress report and information in attachment 1. Data was correct and no issues found.

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

Evaluator Notes:

Reviewed progress report attachment 2. No issues of concerns were found.

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

A review of Maryland Public Service Commission (MD PSC) attachment 3 found information to be correct.

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

A review of attachment 4 indicated zero injuries and two fatalities of the incident that occurred on Baltimore Gas. A review of MD PSC accident investigation and incident report filed by Baltimore Gas reflected no fatalities or injuries. A loss of half a point occurred due to error in progress report attachment 4. Requested Carrie Winslow to correct the 2015 MD PSC Progress Report and notify when the correction was made. Received an email on April 12, 2016 from Carrie Winslow, correction was made in FedSTAR.

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

Evaluator Notes:

A review of MD PSC attachment 5 found information to be correct.

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

Evaluator Notes:

A review of records found the files and records were well organized.

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

A review of attachment 7 and TQ records indicate Rick Miller needs to attend and complete PHMSA-PL 1297 Gas Integrity Management Protocol Course before performing an integrity management inspection. Additionally, two new courses have been added to TQ training course pertaining to OQ. These courses will need to be completed by all inspectors before December, 2018.

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

MD PSC has adopted all regulations and civil penalty amounts. They have automatic adoption of federal rules and regulations in their state law. No issues.

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

Reviewed attachment 10 and had no areas of concern. It was suggested the nine elements of an affect damage prevention program may need to be revisited with the Maryland/DC Damage Prevention organization and include their comments in future filing of attachment 10.

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

Evaluator Notes:

A loss of half a point occurred on question A4.

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:

A review of MD PSC written program procedures found this item is listed under "Inspections" located on page 2. However, the procedures do not provide a pre-inspection activity description. Improvement is needed in adding a pre-inspection activity to the procedures. A loss of half a point occurred because the written plan is weak and needs additional clarification on items to be performed. MD PSC is considering using the State Pipeline Safety Program Plan available in the 2016 State Guidelines for States Participating in the Pipeline Safety Program, Appendix S.

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

A review of MD PSC program procedures found this item is listed under "Inspections" located on page 2. Post inspection activity is listed on page 4. However, the written plan does not contain a description of pre-inspection activity. A loss of half a point occurred.

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|---|--|---|-----|
| 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 | 0.5 |
|---|--|---|-----|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of MD PSC program procedures found this item is listed under "Inspections" located on page 2. Post inspection activity is listed on page 4. However, the written plan does not contain a description of pre-inspection activity. A loss of half a point occurred.

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|---|---|---|-----|
| 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 | 0.5 |
|---|---|---|-----|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of MD PSC program procedures found this item is listed under "Inspections" located on page 3. Post inspection activity is listed on page 4. However, the written plan does not contain description of pre-inspection activity for damage prevention inspections. Improvement is needed. A loss of half a point occurred.

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|---|--|---|-----|
| 5 | Any operator training conducted should be outlined and appropriately documented as needed. | 1 | 0.5 |
|---|--|---|-----|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of MD PSC program procedures found this item is not listed. Improvement is needed. A loss of half a point occurred.

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|---|--|---|-----|
| 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 | 0.5 |
|---|--|---|-----|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of MD PSC program procedures found this item is listed under "Inspections" located on page 3. Post inspection activity is listed on page 4. However, the written plan does not contain a description of pre-inspection activity for construction. A loss of half a point occurred.

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

Yes, a review of MD PSC program procedures found this item is listed under "Inspections" located on page 4. The schedule intervals are listed on Attachment 2. No issues with this item.

8 General Comments:

Info Only = No Points

Info Only Info Only

Evaluator Notes:

A loss of points occurred on questions B 1 thru B 6.

Total points scored for this section: 9.5
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):
523.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 4.30 = 946.00

Ratio: A / B
523.00 / 946.00 = 0.55

If Ratio \geq 0.38 Then Points = 5, If Ratio $<$ 0.38 Then Points = 0
Points = 5

Evaluator Notes:

A. Total Inspection Person Days (Attachment 2)= 523

B. Total Inspection Person Days Charged to the program(220*Number of Inspection person years(Attachment 7)=946

Formula:- Ratio = A/B = 523/946 = 0.55

Rule:- (If Ratio \geq .38 then points = 5 else Points = 0.)

Thus Points = 5

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines 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:

Yes, a review of SABA transcript confirmed all inspectors have completed the OQ training course prior to performing an inspection, completed DIM/IMP courses before conducting an inspection as a lead and five inspectors have successfully completed the root cause course. All inspectors are qualified to perform standard inspection as the lead.

- 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, John Clementson has over eighteen years of experience in pipeline safety work.

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

Evaluator Notes:

Yes, Chairman Hughes response letter was received on December 1, 2015.

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

Evaluator Notes:

The last seminar was held on April 16-18, 2013. The number of attendees were one hundred and forty operators who represented natural gas, propane, master meter and transmission systems operating in the State of Maryland.

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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 | 4 |
|----------|--|---|---|

Evaluator Notes:

A review of files and inspection reports revealed all operator types and inspection units were not inspected in accordance to written procedures. A loss of one point occurred.

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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, MD PSC uses federal and state forms in performing inspections of operators under their jurisdictional authority.

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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:

Yes, MD PSC used Form EN # 17, Gas Utility O&M Plan Comp Review to monitor this item.

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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:

Yes, MD PSC is using Form EN # 17, Gas Utility O&M Plan Comp Review to monitor this requirement.

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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:

Yes, MD PSC is using Form EN # 17, Gas Utility O&M Plan Comp Review to monitor this item for compliance.

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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:

Yes, MD PSC is using Form 54, Failure Investigation, to review or conduct an investigation of previous accidents.

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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, MD PSC staff members review operator's annual reports when reports are filed. Data in the reports are entered into a spreadsheet and reviewed for trends and operator issues.

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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:

Yes, a review of OQ, DIMP & IMP databases found all reports were uploaded within a reasonable time. No issues.

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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 | 0 |
|-----------|---|---|---|

Evaluator Notes:

No, a review of forms and inspection reports revealed this item was not checked or reviewed with the operator. A loss of one point occurred.

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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, this is accomplished by using Form EN # 10, Drug & Alcohol. No issues.

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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 | 2 |
|-----------|---|---|---|

Evaluator Notes:

Yes, this is accomplished by using Forms EN # 32 OQ 37- page Protocol & # 32-9, OQ Field Inspection.

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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 | 2 |
|-----------|--|---|---|

Evaluator Notes:

Yes, this is accomplished by using Form EN #38G which is scheduled on a three year cycle.

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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:

Yes, MD PSC inspectors conducted twenty eight inspections in CY2015 and reviewed the gas operator's plans for updates and other relative information on the program.

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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:

Yes, MD PSC inspectors conducted PAP inspections on all larger operators prior to 2014. The master meter and small LP operators are required under MD PSC rules to comply with public awareness annually. No issues of concern.

- 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:

Yes, MD PSC staff members meet with operators on a quarterly schedule at the Gas Operator Advisory Committee meetings to discuss issues pertaining to damage prevention or enforcement action for non-compliance.

- 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:

- 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:

Yes, this item is discussed at the Gas Operator Advisory Committee meetings. A review of records show MD PSC staff members attended the March 20th, June 22nd, October 11th and December 17th meetings.

- 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, NAPSRS monkey surveys and NARUC questionnaires are completed and submitted.

- 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:

A review of PHMSA website found eight waivers were issued by PHMSA. A review will be conducted by program manager to determine if all waivers are still active or inactive. Please contact Mr. John Gale, PHMSA Director Office of Standards & Rulemaking to have inactive waivers removed from PHMSA's website.

- 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. John Clementson, Program Manager, attended the NAPSRS National meeting in Tempe, AZ.

- 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:

Discussion with John Clementson, Program Manager, and a review of Maryland Public Service Commission's State Program Metrics website found excavation damages per 1,000 tickets reflects a downward trend over the last four years. Calendar year 2014 has the lowest rate of 1.2 damages per 1,000 tickets and may be contributed to MD PSC action in placing a higher priority inspection on gas construction activities. However, a review of gas distribution system leaks found per 1,000 miles continue to trend upward in the last three years along with hazardous leaks repaired. MD PSC may consider monitoring leaks found and repaired on gas distribution system more closely on future gas safety inspections.

27 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

A total loss of two points occurred in C 6 & C 14.

Total points scored for this section: 47
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 <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:

Yes, a review of MD PSC program procedures found this item is listed under Enforcement Procedures on page 5.

- | | | | |
|----------|--|---|---|
| 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 <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Document probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Resolve probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Routinely review progress of probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. | Were applicable civil penalties outlined in correspondence with operator(s) | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes, reviewed files and found a warning letter to Sandpiper Energy dated May 13, 2015 & probable violations letter to AIMCO East Coast dated January 15, 2015. Letters were sent to company officers, probable violations were documented, and company representatives did respond to making corrections or pay the fine. All letters contained civil penalty amounts or action the operator could take or request to resolve the violations.

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

Evaluator Notes:

Yes, fifty compliance actions were taken in CY2015 against operators for non-compliance with the regulations.

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

Yes, due process was described in the letters.

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

Yes, in CY2015 four civil penalties were assessed and two collected in the amount of \$15,250.

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

Yes. Two civil penalties were collected from Baltimore Gas and Electric and Grand Point Apartments.

7 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: 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:

A review of MD PSC program procedures found this item is listed under Incident Investigation Procedures on page 3.

- 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:

Yes, program manager and inspectors are familiar with the MOU's.

- 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, this item is listed under Incident Investigation Procedures on page 3.

- 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:

Yes, a review of files found one incident occurred on Baltimore Gas and Electric facility located at 12218 Sleepy House Lane in Columbia, MD on September 23, 2015. A complete report of the incident and findings of facts were documented.

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

Yes = 1 No = 0

Evaluator Notes:

Yes, Baltimore Gas and Electric was issued an NOPV on February 24, 2016. In the NOPV Baltimore Gas and Electric is required to identify and protect all meters located inside garage areas and move them outside over the next five years.

- 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:

Yes, MD PSC has followed up with the PHMSA Eastern region on three incident reports. Action was taken in a reasonable time schedule in responding to additional information needed.

- 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, during NAPS Eastern Region meeting information about incidents and other safety issues is shared with state program managers.

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: 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:

Yes, this is reviewed during field and office inspection audits. Additionally, this item is reviewed in the operator's written procedures prior to conducting an inspection.

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

On the construction activity form, this question and items are listed. The inspector is required to verify the ticket number is active.

- | | | | |
|---|--|---|---|
| 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 this is discussed at the damage prevention committee meetings.

- | | | | |
|---|--|---|---|
| 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, MD PSC collects data and shares the results with operators at the GOAC meetings. This information is also presented at the NAPSRR Eastern Region Meeting.

- | | | | |
|---|--|--|--------------------|
| 5 | 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: 8
Total possible points for this section: 8

PART G - Field Inspections

Points(MAX) Score

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

Name of Operator Inspected:

Sharp Energy, Inc./Chesapeake Utility/Easton Utility

Name of State Inspector(s) Observed:

John Clementson/Carlos Acosta/R.K Amroliwala & Kobby Anyinam

Location of Inspection:

Salisbury & Easton, MD

Date of Inspection:

May16,17 & 18, 2016

Name of PHMSA Representative:

Glynn Blanton

Evaluator Notes:

May 16, 2016. This was a follow-up inspection pertaining to the warning letter sent to the operator's President Robert Zola on March 16, 2016. The warning letter contained areas of non-compliance regarding the operations of the LP-Gas system. An office visit to review the areas of non-compliance was conducted with Mr. Lee Patrick, Training & Compliance Manager along with a site check of the non-compliance items found on the inspections conducted on December 23, 2015 and January 15, 2016. It was noted not all items had been corrected but were scheduled to be completed the week of May 16th. Sites visited were performed in the following areas Berlin Office Center, Gull Shoal Plaza, Poplar Road, Marva Plaza and Mount Vernon Plaza. A small leak was found on the upper monitor regulator station located at Adventure Farms site during this review. Operator was asked to make repairs and notify MD PSC of action taken to correct all non-compliances.

May 17, 2016. This was a regulator station inspection and lock-up procedure review. The first regulator station located at Perdue Farms Plant on Old Ocean City Road was a double run regulator station with a working and monitor regulators. Each regulator was checked for lock-up and set pressure. One monitor regulator failed to work correctly on the test and was placed out of service until repairs could be performed later. A second monitor regulator failed and was disassembled and repairs made during this inspection. The second station regulator located at Zion Church Road and Old Ocean City Road was checked for set and lock-up. The stations relief and regulators were checked and found to operate correctly. However, a small leak was found at the outlet flange on the downstream side of the regulator station. The operator tagged the leak located and scheduled repair for later in the week. Both regulator stations were fenced and gates to each were locked to prevent unauthorized personnel from entering the facilities.

On May 18, 2016 an records inspection was conducted on Easton Utility in Easton, MD with Rick Wilson, Supt. Gas Department. A review of the operator's operation and maintenance plan and records was conducted using MD PSC form EN17. MD PSC inspectors reviewed records and procedures and found the operator did not have a procedure for ductile iron. This was identified as a potential area of concern.

- 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, John Clementson notified Sharp Energy Compliance Manager Lee Patrick three weeks prior to this inspection. Carlos Acosta notified Chesapeake Utility Company prior to the inspection and R.K Amroliwala notified Rick Wilson, Gas Supt. with Easton Utility on May 4th.

- 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:

All inspectors used MD PSC inspection forms during the inspections.

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

Evaluator Notes:

Yes, all inspectors performed a thorough inspection and documented the results on the appropriate 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:

Yes.

- | | | | |
|---|--|-------------------------------------|---|
| 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 | <input checked="" type="checkbox"/> | |
| | b. Records | <input checked="" type="checkbox"/> | |
| | c. Field Activities | <input checked="" type="checkbox"/> | |
| | d. Other (please comment) | <input checked="" type="checkbox"/> | |

Evaluator Notes:

All inspectors performed a very professional inspection and review of the records provided by the operator.

- | | | | |
|---|---|---|---|
| 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, all inspector have completed the required courses at TQ to performed the required inspection.

- | | | | |
|---|---|---|---|
| 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.

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

Yes, areas of concerns were identified and explained to the operator during the exit interview.

- | | | | |
|----|---|-------------------------------------|-----------|
| 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 | <input type="checkbox"/> | |
| | b. Abnormal Operations | <input type="checkbox"/> | |
| | c. Break-Out Tanks | <input type="checkbox"/> | |
| | d. Compressor or Pump Stations | <input type="checkbox"/> | |
| | e. Change in Class Location | <input checked="" type="checkbox"/> | |
| | f. Casings | <input checked="" type="checkbox"/> | |
| | g. Cathodic Protection | <input checked="" type="checkbox"/> | |
| | h. Cast-iron Replacement | <input type="checkbox"/> | |
| | i. Damage Prevention | <input checked="" type="checkbox"/> | |
| | j. Deactivation | <input type="checkbox"/> | |
| | k. Emergency Procedures | <input checked="" type="checkbox"/> | |

- | | | |
|----|-----------------------------------|-------------------------------------|
| l. | Inspection of Right-of-Way | <input type="checkbox"/> |
| m. | Line Markers | <input type="checkbox"/> |
| n. | Liaison with Public Officials | <input checked="" type="checkbox"/> |
| o. | Leak Surveys | <input type="checkbox"/> |
| p. | MOP | <input type="checkbox"/> |
| q. | MAOP | <input type="checkbox"/> |
| r. | Moving Pipe | <input type="checkbox"/> |
| s. | New Construction | <input checked="" type="checkbox"/> |
| t. | Navigable Waterway Crossings | <input type="checkbox"/> |
| u. | Odorization | <input checked="" type="checkbox"/> |
| v. | Overpressure Safety Devices | <input type="checkbox"/> |
| w. | Plastic Pipe Installation | <input type="checkbox"/> |
| x. | Public Education | <input type="checkbox"/> |
| y. | Purging | <input type="checkbox"/> |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/> |
| A. | Repairs | <input checked="" type="checkbox"/> |
| B. | Signs | <input type="checkbox"/> |
| C. | Tapping | <input type="checkbox"/> |
| D. | Valve Maintenance | <input checked="" type="checkbox"/> |
| E. | Vault Maintenance | <input type="checkbox"/> |
| F. | Welding | <input type="checkbox"/> |
| G. | OQ - Operator Qualification | <input checked="" type="checkbox"/> |
| H. | Compliance Follow-up | <input type="checkbox"/> |
| I. | Atmospheric Corrosion | <input checked="" type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

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:

NA

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

NA

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

NA

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

NA

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

NA

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

NA

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

NA

- | | | | |
|----------|--|-----------|-----------|
| 8 | 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

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

- | | | | |
|----------|--|-----------|-----------|
| 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