



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

1200 New Jersey Avenue SE
Washington DC 20590

2010 Natural Gas State Program Evaluation

for

NORTH CAROLINA UTILITIES COMMISSION

Document Legend

PART:

- O -- Representative Date and Title Information
- A -- General Program Qualifications
- B -- Inspections and Compliance - Procedures/Records/Performance
- C -- Interstate Agent States
- D -- Incident Investigations
- E -- Damage Prevention Initiatives
- F -- Field Inspection
- G -- PHMSA Initiatives - Strategic Plan
- H -- Miscellaneous
- I -- Program Initiatives



2010 Natural Gas State Program Evaluation -- CY 2010
Natural Gas

State Agency: North Carolina

Agency Status:

Date of Visit: 10/17/2011 - 10/20/2011

Agency Representative: Chris Isley, Director - Pipeline Safety, North Carolina Utilities Commission (NCUC)

PHMSA Representative: Don Martin

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

Name/Title: Edward S. Finley, Jr., Chairman

Agency: North Carolina Utilities Commission

Address: 430 North Salisbury Street

City/State/Zip: Raleigh, North Carolina 27603-5918

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 2010 (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 certification/agreement attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART F):

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 F, the PHMSA representative should include a written summary which thoroughly documents the inspection.

Scoring Summary

PARTS

Possible Points Points Scored

| | | | |
|---|---|-----|-----|
| A | General Program Qualifications | 26 | 25 |
| B | Inspections and Compliance - Procedures/Records/Performance | 25 | 25 |
| C | Interstate Agent States | 0 | 0 |
| D | Incident Investigations | 7 | 7 |
| E | Damage Prevention Initiatives | 9 | 9 |
| F | Field Inspection | 12 | 12 |
| G | PHMSA Initiatives - Strategic Plan | 9.5 | 9.5 |
| H | Miscellaneous | 3 | 3 |
| I | Program Initiatives | 9 | 9 |

TOTALS **100.5** **99.5**

State Rating **99.0**

PART A - General Program Qualifications

Points(MAX) Score

- | | | | |
|----------|--|--------------------------|---|
| 1 | Did the state submit complete and accurate information on the attachments to its most current 60105(a) Certification/60106 (a) Agreement? (NOTE: PHMSA Representative to verify certification/agreement attachments by reviewing appropriate state documentation. Score a deficiency in any one area as "needs improvement". Attachment numbers appear in parenthesis) Previous Question A.1, Items a-h worth 1 point each Yes = 8 No = 0 Needs Minor Improvement = 3-7 Needs Major Improvement = 2 | 8 | 7 |
| <hr/> | | | |
| a. | State Jurisdiction and agent status over gas facilities (1) | <input type="checkbox"/> | |
| b. | Total state inspection activity (2) | <input type="checkbox"/> | |
| c. | Gas facilities subject to state safety jurisdiction (3) | <input type="checkbox"/> | |
| d. | Gas pipeline incidents (4) | <input type="checkbox"/> | |
| e. | State compliance actions (5) | <input type="checkbox"/> | |
| f. | State record maintenance and reporting (6) | <input type="checkbox"/> | |
| g. | State employees directly involved in the gas pipeline safety program (7) | <input type="checkbox"/> | |
| h. | State compliance with Federal requirements (8) | <input type="checkbox"/> | |

SLR Notes:

All entries appeared to be complete and accurate based upon information contained in the NCUC's documentation except for item h. A review of North Carolina statute and rules does not support the entries made regarding adopting portions of Part 198. One point was deducted for Question A.1 due to this inaccuracy.

- | | | | |
|----------|---|---|---|
| 2 | Did the state have an adequate mechanism to receive operator reporting of incidents to ensure state compliance with 60105(a) Certification/60106(a) Agreement requirements (fatality, injury requiring hospitalization, property damage exceeding \$50,000 - Mechanism should include receiving "after hours" reports)? (Chapter 6) Previous Question A.2 Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

The Director - Pipeline Safety maintains a log of incidents that are telephonically reported.

- | | | | |
|----------|---|---|---|
| 3 | Has the state held a pipeline safety TQ seminar(s) in the last 3 years? (NOTE: Indicate date of last seminar or if state requested seminar, but T&Q could not provide, indicate date of state request for seminar. Seminars must be held at least once every 3 calendar years.) (Chapter 8.5) Previous Question A.4 Yes = 2 No = 0 | 2 | 2 |
|----------|---|---|---|

SLR Notes:

The NCUC held a seminar in 2010. The NCUC will need to conduct another seminar in 2013 to meet this requirement.

- | | | | |
|----------|--|---|---|
| 4 | Were pipeline safety program files well-organized and accessible?(NOTE: This also includes electronic files) (Chapter 5) Previous Question A.5 Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

SLR Notes:

The files are maintained in a lockable file cabinet near the Director's office. The files were well organized and information required for the evaluation was easily obtained.

- | | | | |
|----------|---|---|---|
| 5 | Did state records and discussions with the state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? (Chapter 4.1, Chapter 8.1) Previous Question A.6 Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

SLR Notes:

Mr. Isley exhibited a good understanding of the PHMSA's requirements for a state pipeline safety program and was knowledgeable of pipeline safety regulations.

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|----------|---|---|---|
| 6 | Did the state respond in writing within 60 days to the requested items in the Chairman's letter following the Region's last program evaluation? (No response is necessary if no items are requested in letter and mark "Yes") (Chapter 8.1) Previous Question A.8 Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

The NCUC responded in 45 days.

- | | | | |
|----------|--|---|---|
| 7 | What actions, if necessary, did the State initiate as a result of issues raised in the Chairperson's letter from the previous year? Did actions correct or address deficiencies from previous year's evaluation? (No response is necessary if no items are requested in letter and mark "Yes") (Chapter 8.1) Previous Question A.8/A.9 | 1 | 1 |
|----------|--|---|---|

SLR Notes:

Opened a Commission docket on excavation damages which required operators to begin reporting third party damages to the Pipeline Safety Section. Future consideration is being given to raising civil penalties for violation of damage prevention law.

Personnel and Qualifications

- 8** Has each inspector fulfilled the 3 year TQ training requirement? If No, has the state been granted a waiver regarding TQ courses by the Associate Administrator for Pipeline Safety? (NOTE: If the State has new inspectors who have not attended all TQ courses, but are in a program which will achieve the completion of all applicable courses within 3 years of taking first course (5 years to successfully complete), or if a waiver has been granted by the applicable Region Director for the state, please answer yes.) (Chapter 4.4) Previous Question A.10 3 3
- Yes = 3 No = 0

SLR Notes:

The NCUC inspectors have met the core training requirements within the required timeframe. The recently added Hazwoper training will need to be successfully completed by 2016.

- 9** Brief Description of Non-TQ training Activities: Info Only Info Only
- Info Only = No Points
- For State Personnel:
No outside training during 2010.
- For Operators:
None conducted.
- For Non-Operator Entities/Parties, Information Dissemination, Public Meetings:
No training was provided to the public during 2010.

SLR Notes:

See notes above.

- 10** Did the lead inspectors complete all required T&Q OQ courses and Computer Based Training (CBT) before conducting OQ Inspections? (Chapter 4.4.1) Previous Question A.12 1 1
- Yes = 1 No = 0

SLR Notes:

No issue found with this requirement.

- 11** Did the lead inspectors complete all required TQ Integrity Management (IMP) Courses/Seminars and CBT before conducting IMP Inspections? (Chapter 4.4.1) Previous Question A.13 1 1
- Yes = 1 No = 0

SLR Notes:

The NCUC inspectors were current on their IMP training during 2010. The Reliability Seminar needs to be completed in 2011 to meet this requirement for the 2011 Program Evaluation.

- 12** Was the ratio acceptable of Total inspection Person-days to Total Person-days charged to the program by state inspectors? (Region Director may modify points for just cause) (Chapter 4.3) Previous Question B.12 5 5
- Yes = 5 No = 0
- A. Total Inspection Person Days (Attachment 2):
485.00
- B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 3.83 = 843.33
- Ratio: A / B
485.00 / 843.33 = 0.58
- If Ratio \geq 0.38 Then Points = 5, If Ratio $<$ 0.38 Then Points = 0
Points = 5

SLR Notes:

The NCUC completed 485 inspection person days during 2010. This resulted in a ratio of 0.58 which exceeds the minimum of 0.38.

- 13** Have there been modifications or proposed changes to inspector-staffing levels? (If yes, describe) Previous Info Only Info Only
- Question B.13
- Info Only = No Points

SLR Notes:

No changes were made during 2010. There are no plans to modify inspector levels in the near future.

14 Part-A General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

Question A.1 - All entries appeared to be complete and accurate based upon information contained in the NCUC's documentation except for item h. A review of North Carolina statute and rules does not support the entries made regarding adopting portions of Part 198. One point was deducted for Question A.1 due to this inaccuracy.

Total points scored for this section: 25

Total possible points for this section: 26



PART B - Inspections and Compliance - Procedures/Records/ Performance

Points(MAX) Score

Inspection Procedures

- 1** Does the State have a written inspection plan to complete the following? (all types of operators including LNG) (Chapter 5.1) Previous Question B.1 + Chapter 5 Changes + Incorporate LNG 6.5 6.5
Yes = 6.5 No = 0 Needs Improvement = 50% Deduction
- | | | | | |
|---|---|--------------------------------------|--------------------------|---|
| a | Standard Inspections (Including LNG) (Max points = 2) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b | IMP Inspections (Including DIMP) (Max points = .5) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c | OQ Inspections (Max points = .5) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d | Damage Prevention (Max points = .5) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e | On-Site Operator Training (Max points = .5) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| f | Construction Inspections (Max points = .5) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| g | Incident/Accident Investigations (Max points = 1) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| h | Compliance Follow-up (Max points = 1) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

SLR Notes:

The NCUC has written inspection procedures to conduct its program. Operators of pipeline facilities and LNG facilities are scheduled to be inspected annually. Inspection Units are scheduled to be inspected annually. Standard inspections (including Damage Prevention), Operation and Maintenance procedures, OQ Protocol 9 and Drug and Alcohol Field Inspections are performed annually. Construction, incident investigations and compliance followup are scheduled on an "as needed basis". All IMP Plans have been reviewed. IMP follow up inspections are scheduled as needed.

- 2** Did the written Procedures for selecting operators adequately address key concerns? (Chapter 5.1) Previous Question B.2, items a-d are worth .5 point each 2 2
Yes = 2 No = 0 Needs Improvement = 50% Deduction
- | | | | | |
|---|--|--------------------------------------|--------------------------|---|
| a | Length of time since last inspection | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b | History of Operator/unit and/or location (including leakage , incident and compliance history) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c | Type of activity being undertaken by operator (construction etc) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d | For large operators, rotation of locations inspected | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

SLR Notes:

All of the factors above are considered; however, the length of time since the last inspection is the primary consideration given to scheduling inspections. The NCUC inspects each operator and inspection unit annually.

Inspection Performance

- 3** Did the state inspect all types of operators and inspection units in accordance with time intervals established in its written procedures? (Chapter 5.1) Previous Question B.3 2 2
Yes = 2 No = 0

SLR Notes:

NCUC inspection records indicate that all operators and inspection units were inspected during 2010. The NCUC's procedures require that each operator and unit be inspected annually.

- 4** Did the state inspection form cover all applicable code requirements addressed on the Federal Inspection forms? (Chapter 5.1 (3)) Previous Question B.4 1 1
Yes = 1 No = 0

SLR Notes:

The NCUC uses the federal form for LNG and IMP inspections. The standard inspection form was developed by the NCUC by revising the federal form. Operation and maintenance procedures are not reviewed during each unit inspection of an operator. The Operation and Maintenance Procedures related questions were removed from the federal form. They are included when an Operation and Maintenance Procedures review is conducted. The NCUC uses a form it developed for construction inspections

- 5** Did state complete all applicable portions of inspection forms? (Chapter 5.1 (3)) Previous Question B.5 1 1
Yes = 1 No = 0

SLR Notes:

Upon a review of randomly selected 2010 inspection reports, all applicable portions of the inspection forms were completed.

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| 6 | Did the state initiate appropriate follow-up actions to Safety Related Condition Reports? (Chapter 6.3) Previous Question B.6 Yes = .5 No = 0 | .5 | .5 |
|----------|--|----|----|

SLR Notes:

There were no safety related condition reports filed by an intrastate operator in North Carolina during 2010.

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|----------|--|----|----|
| 7 | 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) Previous Question B.7 Yes = .5 No = 0 | .5 | .5 |
|----------|--|----|----|

SLR Notes:

All cast iron mains in North Carolina have been replaced.

| | | | |
|----------|---|----|----|
| 8 | 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) Previous Question B.8 Yes = .5 No = 0 | .5 | .5 |
|----------|---|----|----|

SLR Notes:

All cast iron mains in North Carolina have been replaced.

| | | | |
|----------|--|----|----|
| 9 | 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) Previous Question B.9 Yes = .5 No = 0 | .5 | .5 |
|----------|--|----|----|

SLR Notes:

The NCUC reviews operators' procedures during an annual Operation and Maintenance inspection. The NCUC has checked all operators' procedures to insure that leak repair procedures include this requirement.

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|-----------|--|---|---|
| 10 | 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? (NTSB) Previous Question B.10 Yes = 1 No = 0 | 1 | 1 |
|-----------|--|---|---|

SLR Notes:

The NCUC's standard inspection form includes a section on Part 192.617 requirements. The form is used for all annual standard inspections.

Compliance - 60105(a) States

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| 11 | Did the state adequately document sufficient information on probable violations? (Chapter 5.2) Previous Question B.14 Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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SLR Notes:

Upon a review of randomly selected 2010 inspection report files, all reports containing probable violations documented the actions or lack of actions that the operator took that caused the probable violations.

| | | | |
|-----------|--|---|---|
| 12 | Does the state have written procedures to identify the steps to be taken from the discovery to the resolution of a probable violation as specified in the "Guidelines for State Participating in the Pipeline Safety Program"? (Chapter 5.1) Previous Question D(1).1 Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

SLR Notes:

The NCUC requires that a written notification be provided to an operator when a non-compliance is found. The NCUC requires that the operator respond in writing, within 30 days, describing its corrective action plans. A log is kept regarding the status of the inspection report. The NCUC follows up with operators until corrective action is completed.

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|-----------|--|---|---|
| 13 | Does the state have written procedures to notify an operator when a noncompliance is identified as specified in the "Guidelines for States Participating in the Pipeline Safety Program"? (Chapter 5.1(4)) Previous Question D(1).2 Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

SLR Notes:

The operator is notified as soon as a probable violation is discovered by the inspector on site. The initial notification is followed by notification in writing. The operator has 30 days to respond the NCUC's written notification.

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|-----------|--|---|---|
| 14 | Does the state have a written procedure for routinely reviewing the progress of compliance actions to prevent delays or breakdowns of the enforcement process, as required by the "Guidelines for States Participating in the Pipeline Safety Program"? (Chapter 5.1(5)) Previous Question D(1).3 Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

SLR Notes:

The NCUC maintains a log of inspections that found probable violations. The Administrative Assistant monitors the status of operators' responses to insure that operators are following up within the 30 day response period. The Administrative Assistant informs the NCUC staff on operators' progress.

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| 15 | Has the State issued compliance actions for all probable violations discovered? (Note : PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation) Previous Question D(1).4 Yes = 1 No = 0 | 1 | 1 |
|-----------|--|---|---|

SLR Notes:

Upon a review of the NCUC's 2010 inspection log, written notification was sent for all inspections that discovered probable violations.

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|-----------|--|---|---|
| 16 | Did the state follow its written procedures for reviewing compliance actions and follow-up to determine that prompt corrective actions were taken by operators, within the time frames established by the procedures and compliance correspondence, as required by the "Guidelines for States Participating in the Pipeline Safety Program"? Previous Question D(1).5 Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

SLR Notes:

The NCUC's procedures provide operators with 30 days to respond to written notifications of probable violations. The NCUC reviewed the responses to written notifications during 2010. The actions taken by operators were reviewed by the NCUC.

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|-----------|---|---|---|
| 17 | If compliance could not be established by other means, did state pipeline safety program staff request formal action, such as a "Show Cause Hearing" to correct pipeline safety violations? (check each states enforcement procedures) Previous Question D(1).6 No = 0 Yes = 1 | 1 | 1 |
|-----------|---|---|---|

SLR Notes:

All non-compliance issues found during 2010 were corrected by the operators.

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| 18 | Did the state adequately document the resolution of probable violations? (Chapter 5.1 (6)) Previous Question D(1).7 Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

SLR Notes:

The NCUC reviewed the operators' responses to written notifications to determine if the proper corrective actions were taken. The log reflected if the responses resolved the probable violations.

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|-----------|--|----|----|
| 19 | Were compliance actions sent to a company officer? (manager or board member if municipal/government system) (Chapter 5.1(4)) Previous Question D(1).8 Yes = .5 No = 0 | .5 | .5 |
|-----------|--|----|----|

SLR Notes:

All of the inspection reports that were randomly selected for review had letters addressed to the company officer.

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| 20 | Did the compliance proceedings give reasonable due process to all parties? (check each states enforcement procedures) Previous Question D(1).9 Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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SLR Notes:

Operators are given the opportunity to provide evidence that a probable violation did not take place and can present its case in a hearing before the Commissioners of the NCUC.

Compliance - 60106(a) States

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| 21 | Did the state use the current federal inspection form(s)? Previous Question D(2).1 Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|---|---|----|

SLR Notes:

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|-----------|--|---|----|
| 22 | Are results adequately documented demonstrating inspection units were reviewed in accordance with state inspection plan? Previous Question D(2).2 Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|--|---|----|

SLR Notes:

| | | | |
|-----------|--|---|----|
| 23 | 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.) Previous Question D(2).3 Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|--|---|----|

SLR Notes:

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| 24 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? Previous Question D(2).4 Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|--|---|----|

SLR Notes:

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| 25 | Did the state give written notice to PHMSA within 60 days of all probable violations found? Previous Question D(2).5 Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|---|---|----|

SLR Notes:

| | | | |
|-----------|---|---|----|
| 26 | Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? Previous Question D(2).6 Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|---|---|----|

SLR Notes:

| | | | |
|-----------|--|-----------|-----------|
| 27 | 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) Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

SLR Notes:

Yes. Mr. Isley is aware of the criteria required for the assessment of a civil penalty.

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|-----------|---|-----------|-----------|
| 28 | Part B: General Comments/Regional Observations Info Only = No Points | Info Only | Info Only |
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SLR Notes:

The NCUC has generally complied with the requirements of Part B of this evaluation.

Total points scored for this section: 25
Total possible points for this section: 25



PART C - Interstate Agent States

Points(MAX) Score

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|----------|---|---|----|
| 1 | Did the state use the current federal inspection form(s)? Previous Question D(3).1 Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

SLR Notes:

The NCUC is not an interstate agent.

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| 2 | Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? Previous Question D(3).2 Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

SLR Notes:

The NCUC is not an interstate agent.

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| 3 | Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? Previous Question D(3).3 Yes = 1 No = 0 | 1 | NA |
|----------|--|---|----|

SLR Notes:

The NCUC is not an interstate agent.

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|----------|---|---|----|
| 4 | 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.) Previous Question D(3).4 Yes = 1 No = 0 | 1 | NA |
|----------|---|---|----|

SLR Notes:

The NCUC is not an interstate agent.

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|----------|--|---|----|
| 5 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? Previous Question D(3).5 Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

SLR Notes:

The NCUC is not an interstate agent.

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|----------|--|---|----|
| 6 | Did the state give written notice to PHMSA within 60 days of all probable violations found? Previous Question D(3).6 Yes = 1 No = 0 | 1 | NA |
|----------|--|---|----|

SLR Notes:

The NCUC is not an interstate agent.

- | | | | |
|----------|--|---|----|
| 7 | Did the state initially submit documentation to support compliance action by PHMSA on probable violations? Previous Question D(3).7 Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

SLR Notes:

The NCUC is not an interstate agent.

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|----------|---|-----------|-----------|
| 8 | Part C: General Comments/Regional Observations Info Only = No Points | Info Only | Info Only |
|----------|---|-----------|-----------|

SLR Notes:

The NCUC is not an interstate agent. Part C of this evaluation is not applicable.

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

PART D - Incident Investigations

Points(MAX) Score

- | | | | |
|----------|--|---|---|
| 1 | Are state personnel following the procedures for Federal/State cooperation in case of an incident? (See Appendix in "Guidelines for States Participating in the Pipeline Safety Program") (Chapter 6.1) Previous Question E.1 Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

SLR Notes:

The NCUC program manager is aware of the cooperation that is described in the Guidelines.

- | | | | |
|----------|---|----|----|
| 2 | Are state personnel familiar with the jurisdictional authority and Memorandum of Understanding between NTSB and PHMSA? (See Appendix in "Guidelines for States Participating in the Pipeline Safety Program") (Chapter 6 ? Appendix D) Previous Question E.2 Yes = .5 No = 0 | .5 | .5 |
|----------|---|----|----|

SLR Notes:

The NCUC Director of Pipeline Safety exhibited knowledge of the requirements contained in the Memorandum of Understanding between PHMSA and the NTSB. There were no occasions in 2010 where the NTSB was involved in an incident investigation being handled by the NCUC.

- | | | | |
|----------|--|---|---|
| 3 | Did the state keep adequate records of incident notifications received? Previous Question E.3 Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

SLR Notes:

There were two reportable incidents that occurred in North Carolina during 2010. A file is established for each incident that is reported or investigated by the NCUC. A file is created regardless of whether it meets the federal reporting thresholds. Official written investigation reports are filed in the Chief Clerk's office.

- | | | | |
|----------|--|---|---|
| 4 | If an onsite investigation of an incident was not made, did the state obtain sufficient information by other means to determine the facts and support the decision not to go on-site? Previous Question E.4 Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

SLR Notes:

The NCUC investigated both incidents on site during 2010.

- | | | | |
|----------|---|---|---|
| 5 | Were investigations thorough and conclusions and recommendations documented in an acceptable manner? Previous Question E.5, comprehensive question worth 2 points total Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
| a. | Observations and Document Review | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Contributing Factors | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Recommendations to prevent recurrences where appropriate | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

SLR Notes:

Written reports were completed for both incidents. Both incidents were caused by outside forces and no probable violations were found. The federal incident investigation form was completed for both incidents.

- | | | | |
|----------|---|---|---|
| 6 | Did the state initiate enforcement action for violations found during any incident investigation(s)? Previous Question E.6 Variation Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

No probable violations were found during the investigations.

- | | | | |
|----------|--|----|-----|
| 7 | 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 annual report data from operators concerning incidents/accidents and investigate discrepancies) (Chapter 6) Previous Question E.7/E.8 Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

No issues with this requirement.

- | | | | |
|----------|---|-----------|-----------|
| 8 | Part D: General Comments/Regional Observations Info Only = No Points | Info Only | Info Only |
|----------|---|-----------|-----------|

SLR Notes:

The NCUC generally complied with the requirements of Part D of this evaluation.

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



PART E - Damage Prevention Initiatives

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? Previous Question B.11 Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

SLR Notes:

This item is covered when the NCUC conducts a review of operators' Operation and Maintenance Procedures that are required under 192.605. All operators do have procedures that are established to protect their underground pipelines when directional drilling or boring is being performed near pipelines.

- | | | | |
|----------|--|---|---|
| 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? New 2008 Yes = 2 No = 0 | 2 | 2 |
|----------|--|---|---|

SLR Notes:

Locating records are reviewed when the NCUC conducts a standard inspection of pipeline operators. This area is covered when the inspector is reviewing operators' damage prevention programs required by 192.614.

- | | | | |
|----------|---|---|---|
| 3 | Did the state encourage and promote the adoption of the Common Ground Alliance Best Practices document to its regulated companies as a means of reducing damages to all underground facilities? Previous Question A.7 Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

SLR Notes:

The NCUC promoted the Common Ground Alliance Best Practices document with operators. The NCUC encourages operators to adopt and support implementation of best practices in their operations and other stakeholders such as the state's One Call System. The NCUC staff participate in local utility coordinating committee meetings that are sponsored by the North Carolina One Call System.

- | | | | |
|----------|---|---|---|
| 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? New 2008 Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

There is an mandatory requirements for facility owners to report damages to the NCUC. Also operators are required to report damages on the federal annual reports.

- | | | | |
|----------|--|---|---|
| 5 | Did the state review operators' records of accidents and failures due to excavation damage to ensure causes of failure are addressed to minimize the possibility of recurrence as required by 192.617? Yes = 2 No = 0 | 2 | 2 |
|----------|--|---|---|

SLR Notes:

The NCUC reviews operators' records of incidents, leaks and failures when it covers 192.617 requirements as part of the standard inspection of an operator each year.

- | | | | |
|----------|---|-----------|-----------|
| 6 | Part E: General Comments/Regional Observations Info Only = No Points | Info Only | Info Only |
|----------|---|-----------|-----------|

SLR Notes:

The NCUC has generally complied with the requirements of Part E of this evaluation.

Total points scored for this section: 9

Total possible points for this section: 9

PART F - Field Inspection

Points(MAX) Score

- 1** Operator, Inspector, Location, Date and PHMSA Representative Info Only Info Only
Info Only = No Points
Name of Operator Inspected:
Piedmont Natural Gas -
Name of State Inspector(s) Observed:
Harry Bryant
Location of Inspection:
High Point, NC Operations
Date of Inspection:
10/19/2011
Name of PHMSA Representative:
Don Martin

SLR Notes:

Harry Bryant began a standard inspection of the operator's High Point, NC area operations on Monday, October 17, 2011. During the inspection observation on October 19th the inspector was inspecting operator inspection and maintenance activities on its pipeline facilities. Chris Isley accompanied Don Martin during the observation visit.

- 2** Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? New 2008 1 1
Yes = 1 No = 0

SLR Notes:

The operator's local manager was contacted three weeks prior to the inspection.

- 3** Did the inspector use an acceptable inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) Previous Question F.2 2 2
Yes = 2 No = 0

SLR Notes:

Yes. The inspector was utilizing the NCUC's standard inspection form which covers records review and field inspection of operation and maintenance activities.

- 4** Did the inspector thoroughly document results of the inspection? Previous Question F.3 2 2
Yes = 2 No = 0

SLR Notes:

The inspection was not completed until the week after the evaluation observation. The inspector did document inspection results that were observed on October 19th.

- 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.) New 2008 1 1
Yes = 1 No = 0

SLR Notes:

Yes. The operator checked that the operator's personnel had a listing of the valves they were to inspect and that they had the proper valve wrenches to operate the valves.

- 6** What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc) New 2008 Info Only Info Only
Info Only = No Points

SLR Notes:

The inspector accompanied operator personnel while they performed valve inspections.

- 7** Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) New 2008, comprehensive question worth 2 points total 2 2
Yes = 2 No = 0 Needs Improvement = 1
- a. Procedures ☒
 - b. Records ☒
 - c. Field Activities/Facilities ☒

d. Other (Please Comment)

☐

SLR Notes:

Procedures for inspecting critical valves were reviewed. Records review was completed two days prior to the field portion of the evaluation. Field inspection was scheduled for completion the following week.

| | | | |
|----------------|---|---|---|
| 8 | Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Liaison will document reasons if unacceptable) Previous Question F.8 | 2 | 2 |
| Yes = 2 No = 0 | | | |

SLR Notes:

Harry Bryant was well versed in the minimum pipeline safety standards contained in Part 192. Mr. Bryant has completed all of the required training for a standard inspection at Training and Qualifications.

| | | | |
|----------------|--|---|---|
| 9 | 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) Previous Question F.10 | 1 | 1 |
| Yes = 1 No = 0 | | | |

SLR Notes:

The inspector was not scheduled to give the full exit interview until the following week; however, he gave a briefing of his results up to this point in the inspection.

| | | | |
|----------------|--|---|---|
| 10 | During the exit interview, did the inspector identify probable violations found during the inspections? Previous Question F.11 | 1 | 1 |
| Yes = 1 No = 0 | | | |

SLR Notes:

The inspector had not found any probable violations at this point of the inspection.

| | | | |
|-----------------------|--|-----------|-----------|
| 11 | What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) | Info Only | Info Only |
| Info Only = No Points | | | |

SLR Notes:

Valve inspections along with the condition of exposed mains and markers.

| | | | |
|-----------------------|---|-----------|-----------|
| 12 | Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) | Info Only | Info Only |
| Info Only = No Points | | | |

SLR Notes:

None were identified.

| | | | |
|-----------------------|---|-----------|-----------|
| 13 | Field Observation Areas Observed (check all that apply) | Info Only | Info Only |
| Info Only = No Points | | | |

- | | | |
|----|-------------------------------|-------------------------------------|
| 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 type="checkbox"/> |
| f. | Casings | <input type="checkbox"/> |
| g. | Cathodic Protection | <input type="checkbox"/> |
| h. | Cast-iron Replacement | <input type="checkbox"/> |
| i. | Damage Prevention | <input type="checkbox"/> |
| j. | Deactivation | <input type="checkbox"/> |
| k. | Emergency Procedures | <input type="checkbox"/> |
| l. | Inspection of Right-of-Way | <input type="checkbox"/> |
| m. | Line Markers | <input checked="" type="checkbox"/> |
| n. | Liaison with Public Officials | <input 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 type="checkbox"/> |
| t. | Navigable Waterway Crossings | <input type="checkbox"/> |
| u. | Odorization | <input 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 type="checkbox"/> |
| B. | Signs | <input checked="" 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 type="checkbox"/> |
| H. | Compliance Follow-up | <input type="checkbox"/> |
| I. | Atmospheric Corrosion | <input checked="" type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

SLR Notes:

See areas noted above.

14 Part F: General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

The NCUC inspector complied with the requirements of Part F of this evaluation observation.

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



PART G - PHMSA Initiatives - Strategic Plan

Points(MAX) Score

Risk base Inspections - Targeting High Risk Areas

- 1** Does state have process to identify high risk inspection units? 1.5 1.5
Yes = 1.5 No = 0

Risk Factors (criteria) to consider may include:

Miles of HCA's, Geographic area, Population Density

Length of time since last inspection

History of Individual Operator units (leakage, incident and compliance history, etc.)

Threats - (Excavation Damage, Corrosion, Natural Forces, Other Outside Forces, Material or Welds, Equipment, Operations, Other)

SLR Notes:

The NCUC does not have a formal process to quantify a ranking based upon the relative risks of each pipeline operator's systems. The NCUC assigns operators within a geographical area. Each inspector is responsible for the geographic area. Inspectors are encouraged to consider risks based upon the factors above when they schedule inspections and to provide a focus on inspections on high risk concerns. Without the use of a formal process to quantify risk, the NCUC has determined that pipeline safety can be improved if master meter facilities can be acquired by local distribution companies. North Carolina has reduced the number of Master Meter operators to three at the end of 2010.

- 2** Are inspection units broken down appropriately? (see definitions in Guidelines) .5 0.5
Yes = .5 No = 0

SLR Notes:

The inspection units appear to be broken down into units that are consistent with the guidance provided in the Guidelines For States Participating in the Pipeline Safety Program.

- 3** Consideration of operators DIMP Plan? (if available and pending rulemaking) Info Only Info Only
Info Only = No Points

SLR Notes:

Operators' DIMP plans were not available during 2010 since were not required until August, 2011.

- 4** Does state inspection process target high risk areas? .5 0.5
Yes = .5 No = 0

SLR Notes:

The NCUC's procedures address the need for inspectors to identify high risk areas when conducting inspections of operators. The procedures state that any high risk area identified for an operator or inspection unit should be communicated to the operator. The operator is required to develop actions to mitigate the high risk areas communicated by the NCUC. The NCUC does not have a formal process to quantify risk using data to identify high risk areas at this time. The NCUC has focused on the replacement of cast iron mains which has been completed and supporting master meter facilities being acquired by local distribution companies.

Use of Data to Help Drive Program Priority and Inspections

- 5** Does state use data to analyze effectiveness of damage prevention efforts in the state? (DIRT or other data, etc) .5 0.5
Yes = .5 No = 0

SLR Notes:

The NCUC has reviewed data that is contained in the CGA's DIRT reporting tool. The NCUC is continuing to work with the North Carolina One Call System to develop a system specific to damages to pipelines in North Carolina. The NCUC now has access to damage reporting from operators through its docketed order and the federal requirement on annual reports.

- 6** Has state reviewed data on Operator Annual reports for accuracy? .5 0.5
Yes = .5 No = 0

SLR Notes:

The NCUC reviews operators' annual reports each year. Operators are required to submit their annual reports to the NCUC in addition to PHMSA by March 15 of each year.

- 7** Has state analyzed annual report data for trends and operator issues? .5 0.5
Yes = .5 No = 0

SLR Notes:

The NCUC has entered data from operators' annual reports into spreadsheets that display the data over a period years. Trend charts could be developed from this information.

| | | | |
|----------|---|----|-----|
| 8 | Has state reviewed data on Incident/Accident reports for accuracy? Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

SLR Notes:

The NCUC does review each written incident report submitted by operators to PHMSA. The NCUC reports any discrepancy it finds to the operator. Operators are requested to correct any information by making supplemental filings with PHMSA.

| | | | |
|----------|--|----|-----|
| 9 | Does state do evaluation of effectiveness of program based on data? (i.e. performance measures, trends, etc.) Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

The NCUC uses data on the number of inspection person days achieved during the year, number of inspections completed versus assigned, quality of inspections and incident investigation reports, number of activities performed communicating with public and number of presentations made to outside parties.

| | | | |
|-----------|---|----|-----|
| 10 | Did the State input all operator qualification inspection results into web based database provided by PHMSA in a timely manner upon completion of OQ inspections? Previous Question B.15 Yes = .5 No = 0 | .5 | 0.5 |
|-----------|---|----|-----|

SLR Notes:

The OQ Inspection Database shows that the NCUC uploaded the results of OQ Plan reviews it conducted in 2004 and 2005. The NCUC has been uploading the results of Protocol 9 inspection since 2008.

| | | | |
|-----------|---|----|-----|
| 11 | Did the State submit their replies into the Integrity Management Database (IMDB) in response to the Operators notifications for their integrity management program? Previous Question B.16 Yes = .5 No = 0 | .5 | 0.5 |
|-----------|---|----|-----|

SLR Notes:

There were no 2010 notifications in the IMP database that were from a pipeline operator located in North Carolina.

| | | | |
|-----------|--|----|-----|
| 12 | Have the IMP Federal Protocol forms been uploaded to the IMDB? Previous Question B.17 Yes = .5 No = 0 | .5 | 0.5 |
|-----------|--|----|-----|

SLR Notes:

The NCUC has nine intrastate transmission operators as shown on its 2011 Certification. The IMP database includes protocol forms that have been uploaded for the IMP inspections that have been completed.

| | | | |
|-----------|--|----|-----|
| 13 | 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? Previous Question B.18 Yes = .5 No = 0 | .5 | 0.5 |
|-----------|--|----|-----|

SLR Notes:

The NCUC has requested operators to monitor its plastic pipe mains and service lines for failures of the pipe and fittings. The NCUC encouraged operators to participate in the American Gas Association's (AGA) plastic pipe initiative by submitting failure information to the AGA's database. Operators have not communicated any information to the NCUC related to an identified concern on any plastic pipe or components.

| | | | |
|-----------|---|----|-----|
| 14 | Has state confirmed transmission operators have submitted information into National Pipeline Mapping System (NPMS) database along with any changes made after original submission? Yes = .5 No = 0 | .5 | 0.5 |
|-----------|---|----|-----|

SLR Notes:

The NCUC has checked operators records to verify that a submittal of information was made by operators.

Accident/Incident Investigation Learning and Sharing Lessons Learned

| | | | |
|-----------|--|----|-----|
| 15 | Has state shared lessons learned from incidents/accidents? (i.e. NAPSR meetings and communications) Yes = .5 No = 0 | .5 | 0.5 |
|-----------|--|----|-----|

SLR Notes:

The NCUC provided an update of its program activities for 2009 at the NAPSR Southern Region meeting in August, 2010.

| | | | |
|-----------|--|----|----|
| 16 | Does the State support data gathering efforts concerning accidents? (Frequency/Consequence/etc) Yes = .5 No = 0 | .5 | NA |
|-----------|--|----|----|

SLR Notes:

There were no requests of the NCUC to gather this data during 2010.

17 Does state have incident/accident criteria for conducting root cause analysis?

Info Only Info Only

Info Only = No Points

SLR Notes:

The NCUC has not incorporated root cause analysis into its incident investigation procedures at this time.

18 Does state conduct root cause analysis on incidents/accidents in state?

Info Only Info Only

Info Only = No Points

SLR Notes:

The NCUC has not used this investigation technique in incident investigations up to this point in time.

19 Has state participated on root cause analysis training? (can also be on wait list)

.5

0.5

Yes = .5 No = 0

SLR Notes:

Three inspectors have completed the training.

Transparency - Communication with Stakeholders

20 Other than pipeline safety seminar does State communicate with stakeholders? (Communicate program data, pub awareness, etc.)

.5

0.5

Yes = .5 No = 0

SLR Notes:

The NCUC has included a web page for pipeline safety on the Commission's web site.

21 Does state share enforcement data with public? (Website, newsletters, docket access, etc.)

.5

0.5

Yes = .5 No = 0

SLR Notes:

On its web page, the NCUC has posted summary information that it includes on Attachment 5 of the annual Certification.

22 Part G: General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

The NCUC has generally complied with the requirements of Part G of this evaluation.

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



PART H - Miscellaneous

Points(MAX) Score

- | | | | |
|----------|---|----|-----|
| 1 | What were the major accomplishments for the year being evaluated? (Describe the accomplishments, NAPSR Activities and Participation, etc.) Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

SLR Notes:

Steve Wood participated on the Plastic Pipe Data Committee. Steve Hurbanak participated on NAPSR's Evaluation Form Committee and ASME's Gas Procedures Technical Committee.
The NCUC hosted a seminar for damage prevention forum with PHMSA personnel in November, 2010.
The NCUC ordered through a hearing docket that operators must provide third party damage information to the NCUC.

- | | | | |
|----------|--|----|-----|
| 2 | What legislative or program initiatives are taking place/planned in the state, past, present, and future? (Describe initiatives (i.e. damage prevention, jurisdiction/authority, compliance/administrative, etc.) Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

A study committee was created by the legislature to review the present damage prevention law and recommend changes.

- | | | | |
|----------|--|----|-----|
| 3 | Any Risk Reduction Accomplishments/Projects? (i.e. Cast iron replacement projects, bare steel, third-party damage reductions, etc.) Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

Cast iron replacement has been completed. Bare steel replacement is progressing.

- | | | | |
|----------|--|---|---|
| 4 | Did the state participate in/respond to surveys or information requests from NAPSR or PHMSA? Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

SLR Notes:

The NCUC responded to all NAPSR generated surveys.

- | | | | |
|----------|---|----|-----|
| 5 | Sharing Best Practices with Other States - (General Program) Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

SLR Notes:

The NCUC shares lessons learned from incident investigations and inspection activities at the annual NAPSR Southern Region meeting which involves all state programs located within the boundaries of PHMSA's Southern Region.

- | | | | |
|----------|---|-----------|-----------|
| 6 | Part H: General Comments/Regional Observations Info Only = No Points | Info Only | Info Only |
|----------|---|-----------|-----------|

SLR Notes:

The NCUC has generally complied with the requirements of Part H of this evaluation.

Total points scored for this section: 3
Total possible points for this section: 3

PART I - Program Initiatives

Points(MAX) Score

Drug and Alcohol Testing (49 CFR Part 199)

- | | | | |
|----------|---|---|---|
| 1 | Has the state verified that operators have drug and alcohol testing programs? Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

The NCUC has conducted drug and alcohol inspections of operators' initial plans and started revisiting plans since 2008. The NCUC conducted two Drug and Alcohol Plan inspections during 2010.

- | | | | |
|----------|--|----|-----|
| 2 | Is the state verifying that operators are conducting the drug and alcohol tests required by the operators program (random, post-incident, etc.) Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

The NCUC is verifying that records show operators are complying with their plan requirements.

- | | | | |
|----------|---|----|-----|
| 3 | Is the state verifying that any positive tests are responded to in accordance with the operator's program? Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

SLR Notes:

The NCUC reviews records on positive tests and questions operators on the outcome of the positive test participants. The NCUC checks that operators actions adhere to the procedures written in its plan.

Qualification of Pipeline Personnel (49 CFR Part 192 Subpart N)

- | | | | |
|----------|---|---|---|
| 4 | Has the state verified that operators have a written qualification program? Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

Upon a review of the OQ database, it appears that the NCUC conducted inspections of all operators' plans during 2004 and 2005. The database did not show any OQ inspections for 2006 and 2007. Several Protocol 9 inspections conducted in 2010 have been uploaded to the database.

- | | | | |
|----------|--|----|-----|
| 5 | Has the state reviewed operator qualification programs for compliance with PHMSA rules and protocols? Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

The OQ database shows that operator qualification programs were inspected in 2004 and 2005. It appears that the NCUC uploaded Protocol 9 results during 2010.

- | | | | |
|----------|--|----|-----|
| 6 | Is the state verifying that persons who perform covered tasks for the operator are qualified in accordance with the operator's program? Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

Upon a review of the information contained in the OQ database, it appears that the NCUC inspectors are uploading Protocol 9 results during 2010. Protocol 9 inspection forms direct the inspector to review records that cover operator personnel's training, qualification and requalification results for the person performing the covered task being observed by the inspector.

- | | | | |
|----------|--|----|-----|
| 7 | Is the state verifying that persons who perform covered task for the operator are requalified at the intervals specified in the operator's program? Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

The NCUC verifies this requirement when it conducts OQ inspections.

Gas Transmission Pipeline Integrity Management (49 CFR Part 192 Subpart O)

- | | | | |
|----------|--|---|---|
| 8 | Has the state verified that all operators with transmission pipelines have either adopted an integrity management program (IMP), or have properly determined that one is not required? Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

SLR Notes:

The NCUC has conducted initial inspections with all gas transmission operators to determine if the operators had Integrity Management Programs and a written plan. A full IMP inspection utilizing the protocols has not been completed for all gas transmission operators but the NCUC has placed a high priority in completing these inspections and uploading the results into the IMP database.

- | | | | |
|----------|---|----|-----|
| 9 | Has the state verified that in determining whether a plan is required, the operator correctly calculated the potential impact radii and properly applied the definition of a high consequence area? | .5 | 0.5 |
|----------|---|----|-----|

Yes = .5 No = 0

SLR Notes:

During its initial IMP inspections of operators, the NCUC utilizes the federal protocol forms. The protocol forms cover this requirement.

- | | | | |
|--------------------------------|--|----|-----|
| 10 | Has the state reviewed operator IMPs for compliance with Subpart O? (In accordance with State Inspection plan) | .5 | 0.5 |
| <small>Yes = .5 No = 0</small> | | | |

SLR Notes:

The NCUC utilizes the federal protocol forms. The protocol forms cover the requirements in Subpart O.

- | | | | |
|--------------------------------|---|----|-----|
| 11 | Is the state monitoring operator progress on the inspections, tests and remedial actions required by the operator's IMP, including that they are being done in the manner and schedule called for in its IMP? | .5 | 0.5 |
| <small>Yes = .5 No = 0</small> | | | |

SLR Notes:

The NCUC has reviewed operators' IMP written plans but has not completed full IMP inspections utilizing the protocols for all operators. This requirement has been fulfilled for the operators that have received a full IMP inspection.

- | | | | |
|--------------------------------|---|----|-----|
| 12 | Is the state verifying that operators are periodically examining their transmission line routes for the appearance of new HCAs? | .5 | 0.5 |
| <small>Yes = .5 No = 0</small> | | | |

SLR Notes:

The NCUC uses the federal protocol forms while conducting IMP inspections. The form covers this requirement.

Public Awareness (49 CFR Section 192.616)

- | | | | |
|--------------------------------|---|----|-----|
| 13 | Has the state verified that each operator has developed a continuing public awareness program? (due date was 6/20/06 for most operators, 6/20/07 for certain very small operators, 6/13/08 for master meters) | .5 | 0.5 |
| <small>Yes = .5 No = 0</small> | | | |

SLR Notes:

The NCUC has verified that each operator developed and submitted a Public Awareness Plan by the deadlines contained in the final rule.

- | | | | |
|--------------------------------|---|----|-----|
| 14 | Has the state reviewed the content of these programs for compliance with 192.616 (by participating in the Clearinghouse or by other means)? | .5 | 0.5 |
| <small>Yes = .5 No = 0</small> | | | |

SLR Notes:

All operators' Public Awareness Plans have been reviewed by the NCUC. The NCUC utilized the clearinghouse established by PHMSA for the initial review of operator's plans. The NCUC followed up with any deficiencies noted during the reviews.

- | | | | |
|--------------------------------|---|----|-----|
| 15 | Is the state verifying that operators are conducting the public awareness activities called for in its program? | .5 | 0.5 |
| <small>Yes = .5 No = 0</small> | | | |

SLR Notes:

The NCUC reviews operator's actions when conducting a standard inspection.

- | | | | |
|--------------------------------------|--|-----------|-----------|
| 16 | Is the state verifying that operators have evaluated their Public Awareness programs for effectiveness as described in RP1162? | Info Only | Info Only |
| <small>Info Only = No Points</small> | | | |

SLR Notes:

The NCUC inspectors have completed the new Public Awareness effectiveness training. The NCUC plans to begin these reviews in 2012.

- | | | | |
|--------------------------------------|--|-----------|-----------|
| 17 | Part I: General Comments/Regional Observations | Info Only | Info Only |
| <small>Info Only = No Points</small> | | | |

SLR Notes:

The NCUC has generally complied with the requirements of Part I of this evaluation.

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