



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

1200 New Jersey Avenue SE
Washington DC 20590

2014 Gas State Program Evaluation

for

PENNSYLVANIA PUBLIC UTILITY 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)



2014 Gas State Program Evaluation -- CY 2014

Gas

State Agency: Pennsylvania

Agency Status:

Date of Visit: 09/21/2015 - 09/25/2015

Agency Representative: Paul J. Metro, Manager

David Kline, Civil Engineer, Chris Demarco Oil & Gas Supervisor, Rob Horensky, Civil Engineer & Bob Biggard, Gas Safety Supervisor

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

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

Name/Title: Gladys Brown, Chairman

Agency: Pennsylvania Public Service Commission

Address: 400 North Street, Keystone Building

City/State/Zip: Harrisburg, Pennsylvania 17120

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

Field Inspection (PART G):

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

Scoring Summary

PARTS

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

Possible Points Points Scored

10	9
13	13
45	44
15	15
11	11
8	8
12	12
0	0
0	0
114	112

TOTALS

State Rating **98.2**

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

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

Evaluator Notes:

Conducted a review of PA PUC 2014 Natural Gas Base Grant Progress Report Attachment 1 and found information entered was correct. No issues.

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

Evaluator Notes:

Conducted a review of PA PUC 2014 Natural Gas Base Grant Progress Report Attachment 2 and found information entered was correct. No areas of concern.

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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:

Conducted a review of PA PUC 2014 Natural Gas Base Grant Progress Report Attachment 3 and found information entered was correct. No issues.

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

Evaluator Notes:

A review of PA PUC 2014 Natural Gas Base Grant Progress Report Attachment 4 found no errors or concerns.

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

Evaluator Notes:

A review of PA PUC 2014 Natural Gas Base Grant Progress Report Attachment 5 found errors in document. The number of carryover violations plus the number corrected does not match the number of carryover violations at end of CY. Additionally, the number of compliance actions taken is incorrect. Improvement is needed in submitting information correctly. This is the second year in a row this error has occurred. Therefore, a loss of one point occurred.

We will notify Carrie Winslow, PHMSA State Programs, to open up FedSTAR for PA PUC to correct these errors in Attachment 5. A notification will be sent to PA PUC when FedSTAR is available.

- | | | | |
|---|---|---|---|
| 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 well organized. No areas of concern.

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

Improvement was noted in listing the individuals correctly in Attachment 7. No areas of concern were found. We noted several individuals need to complete the web base training course for Gas IMP. Additionally, two new courses have been added to TQ training course pertaining to OQ. These courses will need to be completed by December, 2018.

8	Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8	1	1
Yes = 1 No = 0 Needs Improvement = .5			

Evaluator Notes:

No areas of concern were found in the review of 2014 PA PUC Natural Gas Base Grant Progress Report Attachment 8. Currently, PA PUC Rule Act 11 has established a civil penalty amount the same as PHMSA.

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:

Planned performance and other relative information on the program was provided in detail. No areas of concern.

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

Evaluator Notes:

A loss of one point occurred in question A.5 due to error in the number of carryover violations and compliance items. See Question 5 for more detail.

Total points scored for this section: 9
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 | 2 |
|---|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, standard inspection procedures were located in Pennsylvania Public Utility Commission (PA PUC) Gas Safety Inspector Handbook updated on February 2015, Inspection Protocols, on Page 21, O & M Inspection. Information on expanding pre, post and inspection activities were discussed. No issues.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, IMP and DIMP Inspection procedures are located in PA PUC Gas Safety Inspector Handbook updated on February 2015, Inspection Protocols, on Page 15 & 18.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, OQ Inspection procedures are located in PA PUC Gas Safety Inspector Handbook updated on February 2015, Inspection Protocols, Page 22 OQ Inspections.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, this item is located in PA PUC Gas Safety Inspector Handbook updated on February 2015, under One Call Verification, page 22 and Third Party Damage pages 12-13.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of PA PUC Gas Safety Inspector Handbook found this item is covered on OQ Inspection page 22 and Welding & Plastic Pipe Certification Inspections. Again, it was suggested consideration be given to develop an onsite operator training inspection procedure and include the information in Handbook.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, this is listed in PA PUC Gas Safety Inspector Handbook, Inspection Protocols, page 24, Plastic Pipeline Construction and on pages 26-27, Steel Pipeline Construction.

- 7 Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? 6 6
Yes = 6 No = 0 Needs Improvement = 1-5
- | | | | |
|--|--------------------------------------|--------------------------|---|
| a. Length of time since last inspection (Within five year interval) | Yes <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, this is listed in PA PUC Gas Safety Inspector Handbook, Inspection Protocols, page 12, Procedures for determining inspection priorities.

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

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

Total points scored for this section: 13
Total possible points for this section: 13



PART C - Program Performance

Points(MAX) Score

- 1 Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 5 5
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):
1213.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 10.25 = 2255.00

Ratio: A / B
1213.00 / 2255.00 = 0.54

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)= 1213

B.Total Inspection Person Days Charged to the program(220*Number of Inspection person years(Attachment 7)=2255

Formula:- Ratio = A/B = 1213/2255 = 0.54

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 type="radio"/> | No <input type="radio"/> | Needs Improvement <input checked="" type="radio"/> |
| e. | Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

a. Yes, a review of SABA transcript confirmed all inspectors have completed the OQ training course prior to performing an inspection. b. Yes, a review of SABA transcript confirmed inspectors have completed the DIM/IMP course before conducting an inspection as a lead. c. Yes, six inspectors have successfully completed the root cause course. d. Due to budget restrictions no outside training courses were attended. e. Yes, a review of files found inspectors who performing standard inspections were qualified for the type of inspection assigned to them.

- 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, Paul Metro has over 13 years of experience in Pipeline Safety and has demonstrated excellent knowledge about the pipeline safety regulations and certification program.

- 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, the response letter from Chairman Robert Powelson to Zach Barrett was received on December 17, 2014 and within the required 60 days' time requirement.

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

Evaluator Notes:

Yes, the last pipeline safety seminar was conducted at PA State College on October 7-8, 2014 There were 275 participants in attendance at the seminar.

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

Evaluator Notes:

Yes, PA PUC uses a combination of procedures and risk ranking to inspect the operators and inspection units. No areas of concern were found in a review of their files in meeting the time interval schedule.

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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, PA PUC uses the Federal Inspection Forms. A review of files confirmed all section of the federal inspection forms were completed with a U, S or NA.

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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, this item is accomplished by a letter to all operators in the first quarter of each year. The Formal Letter (FL 1-15) lists this question. A review of the FL 1-15 dated January 22, 2015 confirmed this item was listed. PA PUC reviews and tabulates data from the letters on cast iron and uses this in their risk ranking.

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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, this item is accomplished by a letter to all operators in the first quarter of each year. The Formal Letter (FL 1-15) lists this question. PA PUC reviews and tabulates data from the letters on cast iron and uses this in their risk ranking inspection program.

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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, this item is accomplished by a letter to all operators in the first quarter of each year. The Formal Letter (FL 1-15) lists this question. PA PUC reviews and tabulates data from the letters on cast iron and uses this in their risk ranking. (Item 6 in the letter addresses this item.)

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

Evaluator Notes:

Yes, this is described in PA PUC Gas Safety Inspector Handbook. Leak response is tracked on 3rd Party Damage Inspection forms, Leak Verification and Leak Survey. All incident response times are captured in the Leak Investigation/Complaint form. No areas of concern.

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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. PA PUC staff members review the operator's annual reports and record results into a risk assessment spreadsheet. During a field inspection, the inspector will review the annual report with the operator.

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

Evaluator Notes:

A review of PHMSA Operator Qualification found all inspection reports conducted in CY2014 were not uploaded into the database. A review of files found two hundred forty seven (247) OQ inspection reports that will need to be uploaded into PHMSA's data base. Improvement is needed in uploading the reports in a timely manner. A loss of one point occurred.

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

Yes, this item is accomplished by a Formal Letter (FL1-15) to all operators in the first quarter of each year. The Formal Letter (FL) list this question as item 14.

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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 item is accomplished by a Formal Letter (FL1-15) to all operators in the first quarter of each year. The Formal Letter (FL) list this question as item 12. This item is also reviewed with the operator during drug and alcohol inspections using the PHMSA form.

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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 |
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Evaluator Notes:

Yes, this is listed in PA PUC Gas Safety Inspector Handbook, OQ (Operator Qualification) Inspections, page 22-23. They use the federal inspection form in verifying the operator's compliance. No issues.

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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 item is listed in the PA PUC Gas Safety Inspector Handbook, page 17, IMP (Integrity Management) Inspections. They use the federal inspection form in verifying the operator's compliance along with their state inspection form, Pipeline Integrity Field.

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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 be complete by December 2014
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----|--|---|---|

Evaluator Notes:

Yes, this is performed on the DIMP federal form.

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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 have been completed by December 2013
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, this item is accomplished by the Formal Letter (FL1-15) to all operators in the first quarter of each year. The Formal Letter (FL) list this question as item 9.

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|-----------|--|---|---|
| 20 | Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public).
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|
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Evaluator Notes:

Yes, PA PUC continues to hold monthly meetings with company officials about safety related items and general discussions on improvements with the safe transportation of natural gas.

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

Evaluator Notes:

Yes, two safety related condition reports were filed in CY2014. COLUMBIA GAS OF PENNSYLVANIA on 08/29/2014 and 09/22/2014. Information was reviewed and follow-up by PA PUC inspectors.

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- | | | | |
|-----------|---|---|---|
| 22 | Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|
-

Evaluator Notes:

Yes, this item is accomplished by a Formal Letter (FL1-15) to all operators in the first quarter of each year. The Formal Letter (FL) list this question as item 7.

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

Yes, response to NAPSRS on issues of concern or surveys were provided by the Program Manager.

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- | | | | |
|-----------|--|---|---|
| 24 | If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate.(New Question for CY2013, no points until CY2015 evaluation conducted in CY2016)
Info Only = No Points | 0 | 0 |
|-----------|--|---|---|
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Evaluator Notes:

Currently, four special permit waivers are listed on PHMSA website. Action will be taken by PA PUC to review and notify PHMSA of those that need to be removed.

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- | | | | |
|-----------|---|---|---|
| 25 | Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated? (New Question for CY2014, no points first year)
Info Only = No Points | 0 | 0 |
|-----------|---|---|---|
-

Evaluator Notes:

Yes, Paul Metro attended the 2014 NAPSRS National Meeting in Springfield, IL.

- 26 Discussion on State Program Performance Metrics found on Stakeholder Communication site. (question will be rolled up and included as part of Question C12 on future evaluations) <http://primis.phmsa.dot.gov/comm/states.htm> 0 0
Info Only = No Points

Evaluator Notes:

Yes, a discussion and review of PHMSA website on the stakeholder site was reviewed with PA PUC staff members. They are considering linking the web site to their PA PUC Home page.

- 27 General Comments: Info Only Info Only
Info Only = No Points

Evaluator Notes:

A loss of one point occurred in question C 13. See answer to question for more details.

Total points scored for this section: 44
Total possible points for this section: 45



PART D - Compliance Activities

Points(MAX) Score

- | | | | |
|----------|--|---|---|
| 1 | Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Procedures to notify an operator (company officer) when a noncompliance is identified | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

- a. Yes, this is listed in PA PUC written procedures, Enforcement Procedures, pages 34-35 regarding notifying company officers when a non-compliance item was found during an inspection.
- b. Yes, this item is listed in PA PUC Safety Inspector Handbook, Non-Compliance Follow Up Procedures, page 20.

- | | | | |
|----------|--|---|---|
| 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. | Were probable violations documented? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Were probable violations resolved? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Was the progress of probable violations routinely reviewed? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

- a. A review of Notice of Probable Violations letters dated in CY2014 found fifty four compliance letters. A random selection of letters found they were mailed to the company officer or board member.
- b. Yes, a review of several letters found all violations were listed with detailed information in the letter.
- c. Yes, probable violations were corrected but noted several follow-up inspections were not completed within the thirty (30) days time schedule.
- d. Yes, PA PUC Administrative Assistant routinely reviews all probable violations sited and discuss action to correct with each Engineer. This is checked on a monthly time schedule.

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

Evaluator Notes:

- Yes, a review of inspection reports and letters confirm compliance action was taken by PA PUC. This is demonstrated in the fifty-four compliance actions taken in CY2014.

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|----------|---|---|---|
| 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, a review of letters and procedures confirm PA PUC is providing the operator due process as listed under Enforcement Procedure, Non-Compliance Letters, page 34.

- | | | | |
|----------|---|---|---|
| 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, Paul Metro, Manager Gas Safety is familiar with imposing civil penalties. In CY2014, 64 compliance actions were taken and \$100,200 was collected in penalties against operators.

- | | | | |
|----------|---|---|---|
| 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, information on PA PUC 2014 Progress Report, Attachment 5, shows enforcement fining authority was used. In this regard, 64 compliance actions were taken and \$100,200 was collected in penalties against operators.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

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

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:

Yes, PA PUC Gas Safety Inspector Handbook, Non-Reportable Failure Investigation, Page 20 & Reportable Failure Investigations, page 24.

- 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, this is covered under PA PUC procedures manual, Reportable and Non-Reportable Incident Investigations.

a. Yes, PA PUC staff and Program Manager are aware of the MOU between NTSB & PHMSA.

b. Yes, PA PUC staff and Program Manager are familiar with Appendix E on Federal/State Cooperation in case of incident/accidents.

- 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:

All reportable and non-reportable incidents are investigated by PA PUC staff regardless if the operator considers the incident as non-reportable.

- 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 the five incidents that occurred in CY2014 was conducted. Reviewed the following investigation reports: 1849 S Bancroft Street, Philadelphia, PA; 118 Hickory Hills Drive, Bath, PA; 118 Penrose Lane, Coatesville, PA; 1600 Block Main Street, Dickson City, PA; 413 Smith Street, Dunmore, PA. All reports and information were well documented. No issues of concern.

- 5 Did the state initiate compliance action for violations found during any incident/accident investigation? 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes, two of the five incident investigations resulted in violations being issued by PA PUC with potential fines.

- 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, PA PUC staff members coordinated information about the five incidents to PHMSA Eastern Region office, Matt Valero, pertaining to the initial and final incident reports.

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

Evaluator Notes:

Yes, Paul Metro continues to shared the results of PA PUC's incident investigations in CY2014 with NAPS SR members at the 2014 Eastern Region Meeting.

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

Evaluator Notes:

No loss of points occurred in this section of the program evaluation.

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 item is addressed by the Formal Letter FL1-15 question 10 to all operators in the first quarter of each year. Additionally, all operator's responses are reviewed by PA PUC inspectors for compliance.

- | | | | |
|---|---|---|---|
| 2 | Did the state inspector check to assure the pipeline operator is following its written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system?
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, this item is addressed in PA PUC procedures manual, section entitled, One Call Verification. No areas of concern were found or noted.

- | | | | |
|---|--|---|---|
| 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 item is reviewed and discussed with operators at the annual PA PUC's Pipeline Safety Seminar.

- | | | | |
|---|--|---|---|
| 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, they continue to collect data on trends on the number of pipeline damages per 1,000 locate requests and post results on PA PUC website. In CY2014, the pipeline damage ratio per 1,000 locate requests was 3.8 percent. The number is the same as for CY2013. The highest recorded ratio of 8.1 occurred in 2004.

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

Evaluator Notes:

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

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

PART G - Field Inspections

Points(MAX) Score

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

Name of Operator Inspected:

PECO Energy

Name of State Inspector(s) Observed:

Robert (Rob) Horensky, Civil Engineer, Gas Safety Division

Location of Inspection:

Plymouth Meeting, PA

Date of Inspection:

September 22, 2015

Name of PHMSA Representative:

Glynn Blanton, PHMSA State Programs

Evaluator Notes:

A briefing was conducted with PECO personnel listed below to discuss two projects in the Lower Merion PECO Cast Iron main replacement program. Representatives from PECO explained the two projects were part of the AGIMP (Accelerated Gas Infrastructure Modernization Program). The mains in this portion of the operating areas are pre-1900. Additionally, PECO procedures and operating standards were discussed and expectations of the field visits were reviewed. Paul Metro, Gas Safety Manager was also in attendance at the meeting and construction sites.

PECO Staff: Engineers- Mike Kurtz, Pierter Ouwerkerk, Aileen Gallagher

Damage Prevention-Rob Bedics and Nicole Levine-Manager

- 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, PECO representatives were notified on the September 21, 2015 about the proposed inspection visit by Robert Horensky, PA PUC Civil Engineer.

- 3 Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Robert Horensky used PA PUC Plastic Pipeline Construction form. It was noted by this writer, he filled in all responses from PECO representatives to each question asked on the form with a U, S or NA.

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

Evaluator Notes:

Yes, a review of the draft inspection report, notes and other relative information confirmed a thoroughly documented report was performed by the inspector.

- 5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps,pyrometer,soap spray,CGI,etc.) 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes, it was observed at the plastic pipe/cast iron tie-in site, located at the intersection of Rose and Booth in Lower Merion, the inspector checking OQ & PECO's standard operating practices for pressure testing. Excellent work was being performed.

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

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

Evaluator Notes:

Yes, PECO records and procedures along with OQ verifications were checked by the inspector at the construction sites starting on Rose Lane from Booth to Ivy Street.

- | | | | |
|---|---|---|---|
| 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. Robert Horensky has over three years of experience and has completed all mandatory courses at TQ for a Gas Standard Inspector.

- | | | | |
|---|---|---|---|
| 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, an exit interview was conducted with Pieter Ouwerkerk, PECO Senior Engineer at the construction site.

- | | | | |
|---|---|---|---|
| 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, PECO was found to be in violation of the of PA state reg 52 PA Code ? 59.37. Maps, plans and records. Each public utility shall keep complete maps, plans, and records of its entire distribution and other system showing the size, character, and location of each main, district regulator, street valve and drip, and each service connection, together with such other information as may be necessary. The maps, plans, and records required by the provisions of this section shall be kept up to date so that the utility may promptly and accurately furnish any information regarding its facilities, or copies of its maps, upon request by the Commission.

PECO was also found to be in violation of 49 CFR ? 192.321 Installation of Plastic Main-(e) Plastic pipe that is not encased must have an electrically conducting wire or other means of locating the pipe while it is underground. Tracer wire may not be wrapped around the pipe and contact with the pipe must be minimized but is not prohibited. Tracer wire or other metallic elements installed for pipe locating purposes must be resistant to corrosion damage, either by use of coated copper wire or by other means.

- | | | | |
|----|---|-----------|-----------|
| 10 | General Comments: 1) What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) 2) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 3) Other.
Info Only = No Points | Info Only | Info Only |
|----|---|-----------|-----------|

- a. Abandonment ☐
- b. Abnormal Operations ☐
- c. Break-Out Tanks ☐
- d. Compressor or Pump Stations ☐
- e. Change in Class Location ☐
- f. Casings ☒
- g. Cathodic Protection ☐
- h. Cast-iron Replacement ☒
- i. Damage Prevention ☐
- j. Deactivation ☐
- k. Emergency Procedures ☐
- l. Inspection of Right-of-Way ☐
- m. Line Markers ☐

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 checked="" 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 checked="" type="checkbox"/>
x.	Public Education	<input type="checkbox"/>
y.	Purging	<input type="checkbox"/>
z.	Prevention of Accidental Ignition	<input type="checkbox"/>
A.	Repairs	<input type="checkbox"/>
B.	Signs	<input type="checkbox"/>
C.	Tapping	<input type="checkbox"/>
D.	Valve Maintenance	<input 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 type="checkbox"/>
J.	Other	<input type="checkbox"/>

Evaluator Notes:

At the intersection of Rose and Booth in Lower Merion, PECO was excavating the plastic/cast iron tie in point. PECO was planning to insert in the 2004 plastic instead of uprating the pressure in the main. During the spotting of the main, the PECO's mark out of the gas service was found to be approximately 4 feet away from the location of the actual main. Upon the finding of the mis-mark, PUC requested the mark-out crew (USIC), return to the site to remark the main based on the information provided. USIC is PECO's contracted 3rd party markout company. The mapped field sketch was accessed and used to remark the main, the re-mark resulted in the same mark as the original mark-out. PECO's maps were incorrect. PUC requested that the mark-out crew induce a current from the corner house tracer wire present at the meter riser. No tone was available on the main, indicating a lack of tracer wire on the main installation. The excavated portion of the main did not reveal a tracer wire.

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



PART H - Interstate Agent State (If Applicable)**Points(MAX) Score**

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

PART I - 60106 Agreement State (If Applicable)**Points(MAX) Score**

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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