

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

2016 Gas State Program Evaluation

for

Delaware PSC

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)



2016 Gas State Program Evaluation -- CY 2016

Gas

State Agency: Delaware

Agency Status:

Date of Visit: 03/21/2017 - 03/23/2017

Agency Representative: Jerry Platt, Program Manager

PHMSA Representative: Jim Anderson, State Evaluator

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

Name/Title: Dallas Winslow, Chair

Agency: Delaware Public Service Commission

Address: 861 Silver Lake Boulevard, Cannon Building

City/State/Zip: Dover, Delaware 19904

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 2016 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

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

Scoring Summary

PARTS

Possible Points Points Scored

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

10	10
13	13
47	47
15	15
5	5
8	8
12	12
0	0
0	0

TOTALS

110 110

State Rating

100.0

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

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

Evaluator Notes:
Reviewed data ? No Issues.

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

Evaluator Notes:
Reviewed data ? No Issues.

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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:
Reviewed data ? 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:
Reviewed data ? No Issues. No incidents in 2016.

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

Evaluator Notes:
Reviewed data ? No Issues.

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

Evaluator Notes:
Yes. No issues.

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|---|---|---|
| 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:
Reviewed data ? No Issues.

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

Evaluator Notes:
No issues ? DE PSC has automatic adoption of federal regulations.

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

Evaluator Notes:
Yes ? No Issues.

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

Info OnlyInfo Only

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



PART B - Program Inspection Procedures

Points(MAX) Score

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

The Delaware PSC (DEPSC) Pipeline Safety Program Procedures address procedures for all types of inspections performed by DEPSC on pgs 3-7. The pre-inspection preparation, actual inspection, and post-inspection requirements are treated in a generic fashion. However, any particular requirements for more thorough individual inspection types are addressed as well. In addition, a template has been developed and placed on the shared drive showing the expected information to be collected and documented for each individual question of the Standard Inspection Form.

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

The Delaware PSC (DEPSC) Pipeline Safety Program Procedures address procedures for all types of inspections performed by DEPSC on pgs 3-7. The pre-inspection preparation, actual inspection, and post-inspection requirements are treated in a generic fashion. However, particular requirements for IMP and DIMP inspection types are addressed as well.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The Delaware PSC (DEPSC) Pipeline Safety Program Procedures address procedures for all types of inspections performed by DEPSC on pgs 3-7. The pre-inspection preparation, actual inspection, and post-inspection requirements are treated in a generic fashion. Inspection of an Operator's Damage Prevention Program is included as part of a Standard Inspection, as this form contains questions addressing that particular issue. In addition, the Inspectors have access to damage statistics for all Operators provided to the DEPSC Program Manager on a monthly basis through Miss Utility of Delmarva.

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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:

The Delaware PSC (DEPSC) Pipeline Safety Program Procedures address procedures for all types of inspections performed by DEPSC on pgs 3-7. The pre-inspection preparation, actual inspection, and post-inspection requirements are treated in a generic fashion. Inspection of an Operator's Damage Prevention Program is included as part of a Standard Inspection, as this form contains questions addressing that particular issue. In addition, the Inspectors have access to damage statistics for all Operators provided to the DEPSC Program Manager on a monthly basis through Miss Utility of Delmarva.

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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:

The Delaware PSC Pipeline Safety Program Procedures address attendance at on-site operator training. However, due to the fact that this training usually occurs with relatively short notice to the PSC, it is rare that these are attended. The Inspector is encouraged to attend when his schedule permits. In the past, exceptions to this practice have occurred when additional operator training has been presented as a result of particular issues that have been raised by the DEPSC. On these occasions, DEPSC makes every attempt to be present.

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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:

The Delaware PSC (DEPSC) Pipeline Safety Program Procedures address procedures for all types of inspections performed by DEPSC on pgs 3-7. The pre-inspection preparation, actual inspection, and post-inspection requirements are treated in a generic fashion. However, any particular requirements for individual inspection types are addressed as well. In the case of Construction Inspections, an emphasis is placed on inspecting a wide variety of circumstances. In addition, the Construction Inspection form that is used requires the Inspector to include miscellaneous field items that are questions on the Standard Inspection form.

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|----------|--|--------------------------------------|--|
| 7 | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements?
Yes = 6 No = 0 Needs Improvement = 1-5 | 6 | 6 |
| | a. Length of time since last inspection (Within five year interval) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| | b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| | c. Type of activity being undertaken by operators (i.e. construction) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| | d. Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| | e. Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| | f. Are inspection units broken down appropriately? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

The Delaware PSC (DEPSC) Pipeline Safety Program Procedures address procedures for all types of inspections performed by DEPSC on pgs 3-7. The pre-inspection preparation, actual inspection, and post-inspection requirements are treated in a generic fashion. However, any particular requirements for individual inspection types are addressed as well. In the case of Construction Inspections, an emphasis is placed on inspecting a wide variety of circumstances. In addition, the Construction Inspection form that is used requires the Inspector to include miscellaneous field items that are questions on the Standard Inspection form.

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

Evaluator Notes:

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):
187.50

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 1.95 = 429.00

Ratio: A / B
187.50 / 429.00 = 0.44

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

Evaluator Notes:

.44 ratio exceeds the needed .38 ratio

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

- | | | | | |
|----|--|--------------------------------------|--------------------------|---|
| a. | Completion of Required OQ Training before conducting inspection as lead? | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Root Cause Training by at least one inspector/program manager | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Note any outside training completed | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. | Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

The senior Inspector has completed all mentioned training and all other training offered by TQ that is applicable to the DEPSC PLS Program. With that being the case, he serves as lead inspector on most inspections. The junior Inspector has completed the seven minimum TQ courses and has also taken some further courses. He is able to act as lead inspector on Standard Inspections of MMO and LPG operators, DIMP Inspections, and most construction inspections. The Program Manager has completed the seven minimum TQ courses.

- 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:

Program Manager has adequate knowledge of the pipeline safety program. Jerry Platt has been a former NAPSR Region Chair and National Board Member.

- 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 Chairman responded with a letter dated May 17, 2016, which was within 60 days of the evaluation letter dated April 20, 2016. The Chairman's letter addressed the manner in which every item of the evaluation would be addressed.

- 5 Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5 1 1
Yes = 1 No = 0

Evaluator Notes:

A state-hosted TQ Seminar was held on 11/10/15.

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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:

One MMO OQ Protocol 9 Inspection was not able to be completed due to scheduling problems. Otherwise, all inspection types for each Operator were completed in accordance with the established schedule. All operators were inspected in 2016 and O&M states to be conducted every 2 years.

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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 |
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Evaluator Notes:

Yes. In cases where Federal forms exist, they are used, as opposed to developing our own State form. All portions are completed.

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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:

There is only one operator in the state that still has cast iron pipelines, and this issue is checked as part of their Standard Inspection. The operator's procedures and records related to this issue have been checked by an Inspector, and the procedures have not changed for several years. Traditionally, the Operator has always checked for graphitization and made replacements as necessary. There have been several emails to confirm this.

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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:

There is only one operator in the state that still has cast iron pipelines, and this issue is checked as part of their Standard Inspection. The operator's procedures and records related to this issue have been checked by an Inspector, and the procedures have not changed for several years. Traditionally, the Operator has always checked for graphitization and made replacements as necessary. There have been several emails to confirm this.

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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:

As part of its procedures, the State performs a Standard Inspection of each LDC every two years using the suggested PHMSA form. That form includes questions regarding the Emergency Plans of the operator. These questions are reviewed with the operator with regards to emergency responses to leak reports in and around buildings in general... not just leaks caused by excavation damage. It is clear that the underground migration of leaks is understood. In addition, both operators reach out to local first responders with information about gas leaks, and one LDC holds regular training sessions with all of the local volunteer fire departments about responding to gas leaks.

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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:

At the end of each calendar year, the Program Manager reviews plastic pipe failures for each LDC and mechanical fitting

failure reports as provided by the operators. Leak records and responses are reviewed by Inspectors on an annual basis, as well. Third party damages are reviewed on a sporadic basis.

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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:

Operator Annual Reports are reviewed and data is graphed continuously. This provides an indication of any trends. Abrupt changes in graphical information are questioned, and so far, these have been explained sufficiently. Reviewed data spreadsheets on bare steel and cast iron pipelines. No incidents in 2016.

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

Evaluator Notes:

The Program Manager reviews all Inspection Reports as they are completed and ensures that they are uploaded to the necessary database, as required. Databases are up to date. All OQ uploaded on PHMSA data base. No IMP inspection in 2016, IMP inspection scheduled every 3 years.

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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:

The Program Manager has reviewed the NPMS database. It is up to date.

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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 |
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Evaluator Notes:

Drug and alcohol inspections are conducted on the LDC's and landfill gas operators on an annual basis. Operators are questioned regarding the actions taken as a result of any positive test. 4 inspections in 2016.

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

Evaluator Notes:

At a minimum, OQ programs for each LDC are inspected every 3 years, and those for MMO's and LPG operators are inspected every 5 years. In addition, records for each individual performing a covered task during a construction inspection are checked to ensure qualifications are current. Chesapeake last inspected in 2014 and Delmarva last inspected in 2015.

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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). (Are the State's largest operators programs being contacted or reviewed annually?). 49 CFR 192 Subpart 0
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

There is only 7.6 miles of steel transmission pipeline in the state. The Program Procedures require an IMP inspection every three years, and this schedule has been met. In reality, every year an inspection is conducted to evaluate the status of anomalies and associated evaluations, plans, and repairs. Delmarva las inspected in 2015 ? due next in 2018.

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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). (Are the State's largest operators programs being contacted or reviewed annually?). 49 CFR 192 Subpart P DIMP ? First round of program inspections should have been complete by December 2014
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

The PSC started immediately after the August 2011 implementation date to conduct DIMP inspections. We started with the LDC's, since they are the largest concern. Program Procedures require an inspection of DIMP activities every three years, but in reality, spot checks of the LDC operators' DIMP efforts are made on an annual basis. Also, MMO and LPG DIMP's have been inspected, but it has been much more difficult to educate these operators with regards to DIMP expectations. Delmarva inspected in 2015, Chesapeake in 2016 and MM/LP in 2016.

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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. PAPEI Effectiveness Inspections should have been completed by December 2013. PAPEI Effectiveness Inspections should be conducted every four years by operators. 49 CFR 192.616
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Program Procedures require an inspection of Public Awareness effectiveness for LDC's every 3 years, and this has been done. All operators are following their Public Awareness Plans.

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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:

Critical information is posted on the PSC website. Presently, inspection reports and daily communications with operators are available to the public by FOIA request. Any enforcement action that rises to a level of an NOPV or Corrective Action Order is docketed. Hearings are scheduled as necessary, and Commission Meetings are held twice each month. Notifications of both are posted on a state website, and they are conducted in public venues. Orders are available on the DEPSC website.

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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 |
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Evaluator Notes:

There were no Safety Related Conditions in Delaware in 2016.

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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:

The State collects data from each of the LDC's about their plastic pipe failures. In one case, the operator submits the data they provide to PPDC. In the other case, the operator submits information in a spreadsheet provided by the PSC. In the first case, the data shows a large amount of plastic cap failures. The same trend appears in the second case, but there was also a previous NOPV that required this operator to re-train individuals on saddle fusions. Chesapeake send the DEPSC the information and Delmarva send in the PPDC data. Reviewed data spreadsheet during evaluation.

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

Whenever NAPS or PHMSA requests information, the Program Manager has responded by the deadline provided. All of

these surveys have been conducted electronically, and e-mail records of responses have been kept. However, the Program Manager does not recall any PHMSA surveys conducted in 2016.

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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.
No = 0 Needs Improvement = .5 Yes = 1 | 1 | NA |
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Evaluator Notes:

To the knowledge of the Program Manager, the State has never issued a waiver/special permit in the history of the Program.

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| 25 | Did the state attend the National NAPS Board of Directors Meeting in CY being evaluated?
No = 0 Needs Improvement = .5 Yes = 1 | 1 | 1 |
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Evaluator Notes:

Yes, the Program Manager attended the National NAPS BOD Meeting in Indianapolis, IN in 2016.

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| 26 | Discussion on State Program Performance Metrics found on Stakeholder Communication site - http://primis.phmsa.dot.gov/comm/states.htm
No = 0 Needs Improvement = 1 Yes = 2 | 2 | 2 |
| a. | Discussion of Potential Accelerated Actions (AA's) based on any negative trends | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | NTSB P-11-20 Meaningful Metrics | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

This was discussed with the program manager.

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| 27 | Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool. (No points)
Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

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| 28 | Did the State verify Operators took appropriate action regarding Pipeline Flow Reversals, Product Changes and Conversions to Service? See ADP-2014-04 (No Points)
Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

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|-----------|--|-----------|-----------|
| 29 | General Comments:
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

Total points scored for this section: 47
Total possible points for this section: 47

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"/> |
| c. | Procedures regarding closing outstanding probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

The state has written procedures to stipulate the process for notifying operators of NOPV's and associated compliance actions to be taken. These procedures also refer to the PSC Regulations for conducting enforcement actions and state the steps to be taken in this process. The Procedures discuss follow-up inspections, and NOPV/CAO dockets are not closed until the matter is satisfactorily brought into compliance and closed by Commission Order. All PVs have Docket numbers and the closeout is part of the order. Page 8 of the written inspection procedures.

- | | | | |
|----------|--|---|---|
| 2 | Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Were compliance actions sent to company officer or manager/board member if municipal/government system? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Document probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Resolve probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Routinely review progress of probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. | Were applicable civil penalties outlined in correspondence with operator(s) | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

In all cases of probable violations, these are documented in written correspondence to the Operator/Owner. The nature of the violation is described, and the associated regulation is identified. The expected resolution is stipulated, and the Operator/Owner is provided a deadline for responding with their action taken. Within the written correspondence, civil penalties are identified for each particular probable violation. Reviewed all NOPVs (3), correspondence.

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

Evaluator Notes:

Yes.

- | | | | |
|----------|---|---|---|
| 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. Operators/Owners are always offered the possibility of a hearing to dispute the finding of a probable violation.

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

The Program Manager is familiar with the process for imposing civil penalties and has been doing so for the past few years. Civil penalties are almost always imposed for probable violations, and they are increased to Operators/Owners for repeat violations. DE had no "Incidents" in 2016.

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

Evaluator Notes:

Yes. For the past few years, DE PSC has been issuing and collecting civil penalties for PLS violations. In CY 2016, DE PSC issued two fines totaling \$6,500 in penalties and collected \$15,000 in penalties.

- 7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

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:

The response to "Incidents" is covered on page 7 in the Program Procedures. Uses PHMSA form #5 should incident occur. Suggested adding, DEPSC uses PHMSA form #5 in written procedures.

- 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:

While there were no Incidents in DE in 2016, past Incidents have always been communicated to the Program Manager via telephone, both during work hours and after work hours, and followed up by e-mails. All e-mail correspondence regarding Incidents and investigation findings are kept in paper files and/or electronically. Both A. and B. are kept in a binder in the Program Manager's office.

- 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 NA

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

In 2016, there were no Incidents in DE.

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

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:

In 2016, there were no Incidents in DE.

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

Yes = 1 No = 0

Evaluator Notes:

In 2016, there were no Incidents in DE.

- 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 NA

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

In 2016, there were no Incidents in DE.

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

Evaluator Notes:

If Incidents occur, the state shares these experiences at NAPSRR Eastern Region meetings in its "State of the State" presentation.

8 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

Total points scored for this section: 5
Total possible points for this section: 5



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:

In the past, the drilling/boring procedures section of each LDC's O&M Manual has been reviewed. Each contains precautions to protect all underground utilities, including their own gas pipelines. Re-reviews are only conducted when revisions are noted as part of the annual Standard Inspection of each operator.

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

Evaluator Notes:

On inspections of all pipeline construction (new and replacement), the Inspector checks the one call system to ensure that notification has been made. He also checks markings in the field, as well.

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

The state actively participates and communicates with Miss Utility of Delmarva, the "approved notification" center for the state one call system. The state regularly attends monthly meetings with Miss Utility of Delmarva membership (which is regularly attended by each of the two LDC's in the state) and makes various efforts to improve public awareness of the 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? (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:

Miss Utility of Delmarva is the central clearinghouse for collecting data on damages and locate requests. This data is provided to the DE PSC on a monthly basis, and the information is tracked by both groups with regards to trends. In addition, the PSC tracks the end-of-year data to track historical trends for damages. Reviewed spreadsheet.

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

Evaluator Notes:

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

PART G - Field Inspections

Points(MAX) Score

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

Name of Operator Inspected:

Delmarva

Name of State Inspector(s) Observed:

Bob Schaeffgen

Location of Inspection:

31st Street, Wilmington, DE

Date of Inspection:

March 21, 2017

Name of PHMSA Representative:

Jim Anderson

Evaluator Notes:

- 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. Bob Kitson and Dave Langseder were present.

- 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.

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

Evaluator Notes:

Yes.

- 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.

- 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:

No issues.

- 7 Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes.

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

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- | | | | |
|----------|---|---|---|
| 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, Mr. Schaeffgen noted, documented and verbally communicated with the operator a probable violation of Part 192.381(c).

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

- | | | |
|----|-----------------------------------|-------------------------------------|
| a. | Abandonment | <input type="checkbox"/> |
| b. | Abnormal Operations | <input type="checkbox"/> |
| c. | Break-Out Tanks | <input type="checkbox"/> |
| d. | Compressor or Pump Stations | <input type="checkbox"/> |
| e. | Change in Class Location | <input type="checkbox"/> |
| f. | Casings | <input type="checkbox"/> |
| g. | Cathodic Protection | <input type="checkbox"/> |
| h. | Cast-iron Replacement | <input checked="" type="checkbox"/> |
| i. | Damage Prevention | <input checked="" 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 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 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 type="checkbox"/> |
| H. | Compliance Follow-up | <input type="checkbox"/> |
| I. | Atmospheric Corrosion | <input type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

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



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

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

Evaluator Notes:

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