



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

1200 New Jersey Avenue SE
Washington DC 20590

2011 Natural Gas State Program Evaluation

for

VIRGINIA STATE CORPORATION 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)



2011 Natural Gas State Program Evaluation -- CY 2011
Natural Gas

State Agency: Virginia
Agency Status:
Date of Visit: 05/21/2012 - 05/24/2012
Agency Representative: Massoud Tahamtani, Director, Utility and Railroad Safety
 Jim Hotinger, Pipeline Safety Program Manager
PHMSA Representative: Jim Anderson
Commission Chairman to whom follow up letter is to be sent:
Name/Title: Mark C. Christie, Chairman
Agency: Virginia State Corporation Commission
Address: Tyler Building, P.O. Box 1197
City/State/Zip: Richmond, Virginia 232218

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 2011 (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	10	9
B Program Inspection Procedures	15	15
C Program Performance	43	43
D Compliance Activities	14	14
E Incident Investigations	9	9
F Damage Prevention	8	8
G Field Inspections	12	12
H Interstate Agent State (If Applicable)	0	0
I 60106 Agreement State (If Applicable)	5	5
TOTALS	116	115
State Rating		99.1

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

-
- | | | | |
|----------|---|---|---|
| 1 | Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1 (A1a)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

No issues, all information on 2011 Progress Report Attachment 1 is complete and accurate.

- | | | | |
|----------|--|---|---|
| 2 | Review of Inspection Days for accuracy - Progress Report Attachment 2 (A1b)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

Inspection days are documented accurately.

- | | | | |
|----------|--|---|---|
| 3 | Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3 (A1c)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

Operators and Operator Inspection Units are documented accurately.

- | | | | |
|----------|--|---|---|
| 4 | Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 (A1d)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

VA SCC listed 2 reportable natural gas distribution incidents. SMART also listed 2 reportable natural gas distribution incidents.

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|----------|--|---|---|
| 5 | Accuracy verification of Compliance Activities - Progress Report Attachment 5 (A1e)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0 |
|----------|--|---|---|

Evaluator Notes:

VASCC uses the entire year to inspect an inspection unit, then sends noncompliance activities to the operator for correction. All compliance activities were correct, probable violations were reported inaccurately due to counting each piece of evidence as a probable violation.

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|----------|---|---|---|
| 6 | Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 (A1f, A4)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

Yes - Inspection reports kept electronically and printed in hard copy.

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|----------|--|---|---|
| 7 | Was employee listing and completed training accurate and complete? - Progress Report Attachment 7 (A1g)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

Yes.

- | | | | |
|----------|---|---|---|
| 8 | Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

VA SCC rules contain automatic adoption language for adopting federal regulations.



9 List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 (H1-3) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. As noted in its 2011 Base Grant Progress Report for CY2010, Virginia's met its annual goals of conducting at least 85 inspection days per inspector per year, investigating all significant pipeline accidents, enforcing any non-compliances found, inspecting major pipeline construction (those projects costing more than \$100,000) along with a significant number of other smaller projects. Virginia timely submitted its inspection results for the three municipal gas systems to PHMSA for its review and enforcement, and provided training and education to the operators and their contractors who requested it. Additionally, Virginia reviewed cast iron pipe replacement programs to ensure it is risk based. Virginia began its comprehensive IMP inspections in late 2010 and finished them in early 2011. Virginia also had its DIMP inspection team fully trained and began DIMP inspections in 2011. Virginia began its review of operator's public outreach programs to determine their effectiveness in CY2011 and will finish it in CY2012.

10 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

Total points scored for this section: 9
Total possible points for this section: 10



PART B - Program Inspection Procedures

Points(MAX) Score

1 Standard Inspections (B1a) 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. Listed in the procedures manual to conduct safety record inspections on 100% of the gas operators and 10% of the facilities.

2 IMP Inspections (including DIMP) (B1b) 1 1
 Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Listed in procedures to conduct inspections as necessary to include pig digs, peg rund, etc.

3 OQ Inspections (B1c) 1 1
 Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. In procedures to be included with the standard inspection while conducting field inspections. Reviewed completed 2011 inspection form.

4 Damage Prevention Inspections (B1d) 1 1
 Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. In procedures to be included with the standard inspection while conducting field inspections. Reviewed completed 2011 inspection form. Also, VA SCC has Damage Prevention Section.

5 On-Site Operator Training (B1e) 1 1
 Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Operator training is conducted at seminars and contractor meetings. Reviewed seminar attendance list and contractor training attendance list.

6 Construction Inspections (B1f) 1 1
 Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. In procedures to be included with the standard inspection while conducting field inspections.

7 Incident/Accident Investigations (B1g) 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Appendix 6 of the procedures.

8 Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? (B2a-d, G1,2,4) 6 6
 Yes = 6 No = 0 Needs Improvement = 1-5

- | | | | | |
|----|--|--------------------------------------|--------------------------|---|
| a. | Length of time since last inspection | 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 No Needs Improvement
- f. Are inspection units broken down appropriately? Yes No Needs Improvement

Evaluator Notes:

Virginia's procedures consider each of the elements described above. In addition, as part of its determination of risk, Virginia has been monitoring and verifying all leak repair data for gas operators since 2006. This data is analyzed to determine the specific threats for each company and each company's inspection units. In addition, the annual inspection schedule is developed early in the year, reviewed monthly and adjusted for any new issues or concerns found over the course of the year.

9 General Comments:
Info Only = No Points

Info Only Info Only

Evaluator Notes:

Total points scored for this section: 15
Total possible points for this section: 15



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 (A12) 5 5
 Yes = 5 No = 0
 A. Total Inspection Person Days (Attachment 2):
 1400.41
 B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 220 X 6.60 = 1451.63
 Ratio: A / B
 1400.41 / 1451.63 = 0.96
 If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
 Points = 5

Evaluator Notes:

Yes. Total Inspection person-days to total person days was acceptable. Deleted the Damage Prevention inspection days and the ratio of inspection person-days to total person years was still acceptable.

- 2** Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines for requirements) Chapter 4.4 (A8-A11, G19) 5 5
 Yes = 5 No = 0 Needs Improvement = 1-4
- a. Completion of Required OQ Training before conducting inspection as lead? Yes No Needs Improvement
 - b. Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 Yes No Needs Improvement
 - c. Root Cause Training by at least one inspector/program manager Yes No Needs Improvement
 - d. Note any outside training completed Yes No Needs Improvement

Evaluator Notes:

The majority of inspectors have completed the necessary training. Three new inspectors are on schedule to complete the required training in 3 years. All inspectors leading OQ, DIMP or IMP inspections have the appropriate training. The program manager is registered with T&Q to complete the required training within 5 years.

- 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 (A5) 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Jim Hotinger, Program Manager, has extensive knowledge of the state's safety rules, state enforcement procedures and the working relationship of NAPSR and PHMSA as well as serving on several NAPSR/PHMSA committees.

- 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 (A6-7) 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. Letter dated July 15, 2011 was sent to Chair, Jagdmann and response letter dated August 26, 2011 was sent to Zach Barrett, PHMSA Director, State Programs. One item of note is it would take a State constitutional amendment to have jurisdiction of municipal gas systems.

- 5** Did State hold PHMSA TQ Seminar in Past 3 Years? Chapter 8.5 (A3) 2 2
 Yes = 2 No = 0

Evaluator Notes:

Yes. Hosted TQ seminar in October 2011.

- 6** Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 (B3) 5 5
 Yes = 5 No = 0 Needs Improvement = 1-4



Evaluator Notes:

Yes. SCC conducts inspections on all operators throughout the year. Inspections were conducted according to written procedures.

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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 (B4-5)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

Yes. the VA SCC used the USDOT inspection forms. These inspection forms are completed in the field and uploaded into the PIPES database. All inspections can be reviewed on the PIPES database.

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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 (B7)
Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

Yes. Reviewed the inspection report and have a written copy of the report.

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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 (B8)
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

Yes. Reviewed the inspection report and have a written copy of report.

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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 (B9)
Yes = 1 No = 0 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes. Reviewed the inspection report and have a written copy of report.

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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 (B10,E5)
Yes = 1 No = 0 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

Virginia monitors all failure investigations and leak repairs of each operator to ensure accuracy of data collection. In addition, this data is used to develop Virginia's inspection schedule and verification of each operator's accelerated actions and infrastructure replacement programs.

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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? Data Initiative (G6-9,G16)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

Yes. Virginia has reviewed the annual reports for accuracy and has used the data for trending since 1994.

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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 (G10-12)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

Virginia input 34 OQ inspection results and 7 IMP inspections into the federal databases in 2011. Reviewed SMART database prior to evaluation - data uploaded.

- 14** Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission? (G14) 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. In addition, Virginia monitors new construction and verifies that the operators provide information on any new or replacement transmission pipelines constructed as soon as it is available. This is the first question on federal inspection form - Form 1- Transmission Lines Inspection form.

- 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 (I1-3) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. Virginia conducted several drug and alcohol field inspections and testing processes including a person testing positive. For the positive test, Virginia reviewed the entire testing protocol for all of the affected company's employees to ensure the adequacy of the random testing.

- 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 (I4-7) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. Virginia's inspectors review the OQ certifications for each inspection involving a covered task. The OQ modules are also reviewed for adequacy. Currently, Virginia is working with its operators to improve the statewide OQ process for all of its operators.

- 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 O (I8-12) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. Virginia has reviewed all operator's IMP plans and conducts field inspections of examinations and repairs. Updates to IMP plans are provided to Virginia's inspectors when they become available and reviewed at that time.

- 18** Is state verifying operator's gas distribution integrity management Programs (DIMP)? Info Only Info Only
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
Info Only = No Points

Evaluator Notes:

Yes. Started in October 2011.

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

Evaluator Notes:

As discussed in Question 9 of Section A, Virginia began its review of each operators Public Awareness program and its effectiveness in 2011. Virginia is on course to have all operators programs reviewed and evaluated by mid-year 2012.

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). (G20-21) 1 1
 Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. Virginia's enforcement cases are available through its website, by mail and/or telephone request. Virginia's website contains both pipeline safety and damage prevention information and links.

21 Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (B6) 1 NA
 Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

No SRCs in 2011.

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? (G13) 1 1
 Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

This identification is being conducted through the operator's DIMP plan. In addition, Virginia reviews all repaired leak data for each company which includes plastic pipe repairs. Virginia also has an infrastructure replacement rate incentive process that allows companies to charge a flat fee, over and above the normal rates, for replacement of certain aging infrastructure. Most companies have taken advantage of this process to accelerate the replacement of plastic, bare steel, and cast iron pipelines with records of defects and leaks. Lastly, as Virginia has data for all leaks repaired in the state since 2006, PHMSA's Plastic Pipe Ad-Hoc Committee uses Virginia's plastic pipe leak data as a resource to identify potential or existing issues.

23 Did the state participate in/respond to surveys or information requests from NAPS or PHMSA? (H4) 1 1
 Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. Virginia responded to surveys and information requests from NAPS or PHMSA as necessary.

24 General Comments: Info Only|Info Only
 Info Only = No Points

Evaluator Notes:

Total points scored for this section: 43
 Total possible points for this section: 43



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 (B12-14, B16, B1h) 4 4

Yes = 4 No = 0 Needs Improvement = 1-3

a. Procedures to notify an operator (company officer) when a noncompliance is identified Yes No Needs Improvement

b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns Yes No Needs Improvement

Evaluator Notes:

Yes. In Appendix 6 of the written pipeline safety 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 (B11,B18,B19) 4 4

Yes = 4 No = 0 Needs Improvement = 1-3

a. Were compliance actions sent to company officer or manager/board member if municipal/government system? Yes No Needs Improvement

Evaluator Notes:

Yes. Company official Dan Cote, Columbia of Virginia General Manager was sent the notice of noncompliance.

3 Did the state issue compliance actions for all probable violations discovered? (B15) 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes.

4 Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary. (B17, B20) 2 2

Yes = 2 No = 0

Evaluator Notes:

Yes. Procedure for "show cause" is in written procedures.

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) (B27) 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes.

6 Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations? (new question) Info Only Info Only

Info Only = No Points

Evaluator Notes:

Issued 6 civil penalties and collected \$463,650 in 2011.

7 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

Total points scored for this section: 14
Total possible points for this section: 14



PART E - Incident Investigations

Points(MAX) Score

- | | | | |
|----|---|--------------------------------------|--|
| 1 | 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 (A2,D1-3)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
| a. | Acknowledgement of MOU between NTSB and PHMSA (Appendix D) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:
The Pipeline Safety Section has a 24 hour number for operator to call incase of an incident. The call is forwarded to the inspector on call.

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|---|---|---|---|
| 2 | 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 (D4)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:
Yes. The Pipeline Safety Section gets information from the operators. All explosions, fire, fatality aand Nation Response Center reports require onsite visit.

- | | | | |
|----|--|--------------------------------------|--|
| 3 | Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? (D5)
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
| a. | Observations and document review | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Contributing Factors | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Recommendations to prevent recurrences when appropriate | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:
Yes. Reviewed incident report.

- | | | | |
|---|--|---|---|
| 4 | Did the state initiate compliance action for violations found during any incident/accident investigation? (D6)
Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:
Yes. Virginia Natural Gas was accessed a noncompliance and was fined \$1050 and Miss Utility was fined \$8550.

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|---|--|---|---|
| 5 | 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 (D7)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:
Talked to Byron Coy, Director, PHMSA Eastern Region and he said all communication on pipeline safety with the VA SCC went smooth for CY 20011.

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|---|---|---|---|
| 6 | Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPS Region meetings, state seminars, etc) (G15)
Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:
When accidents occur, Virginia shares its findings at NAPS Region meetings, pipeline safety conferences, etc. In addition, in an effort to mitigate the possibility of future incidents/accidents, Virginia also shares leak data trends, including damage prevention data, with its operators, NAPS Region, and PHMSA.

7 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

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



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 (E1) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

: Yes. Virginia reviewed the procedures when they were initially developed, any revisions to them, and monitors compliance with them in the field. Further, Virginia has a state law that requires open trenching for installing gas lines in areas where the sewer laterals cannot be positively identified to eliminate the potential for cross bores. Have copy of inspection report.

- 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? (E2) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. Virginia reviewed the procedures when they were initially developed, any revisions to them, and monitors compliance with them in the field. The effectiveness of damage prevention public education is continually monitored and revised annually as needed by each operator. Uses federal inspection form 2 and was completed during the inspection.

- 3 Did the state encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (i.e. such as promoting/adopting the CGA Best Practices encouraging adoption of the 9 Elements, etc.) (E3) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. Virginia adopts Best Practices as needed. Virginia provides information to its stakeholders on the various best practices, including marking, hand digging, and directional drilling. Received a marking standard manual and an excavation manual.

- 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) (E4,G5) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. VA SCC monitors this data on a monthly basis. In addition, Virginia has developed a risk model for damage prevention that evaluates all notices of excavation received in real time to identify potential "high-risk" of damage areas. Virginia may then send its inspectors to these areas or notify operators of them to allow oversight of these excavations as needed.

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

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 OnlyInfo Only
 Info Only = No Points

Name of Operator Inspected:
 Virginia Natural Gas
 Name of State Inspector(s) Observed:
 Drew Eaken
 Location of Inspection:
 Norfolk, VA
 Date of Inspection:
 5/22/2012
 Name of PHMSA Representative:
 Jim Anderson

Evaluator Notes:
 Inspected cast iron/bare steel main/service replacement project. Inspected contract crews at Westover Ave., 5th and Colly Ave., Killiam and 38th and Hampton.

2 Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (F2) 1 1
 Yes = 1 No = 0

Evaluator Notes:
 Yes. VNG send VA SCC construction crew locations daily.

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) (F3) 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:
 Yes. Completes inspecton on notebook and then loads it into the PIPES database system.

4 Did the inspector thoroughly document results of the inspection? (F4) 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.) (F5) 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) (F7) 2 2
 Yes = 2 No = 0 Needs Improvement = 1

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

Evaluator Notes:



7 Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) (F8) 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. Responded correctly on state regulations on required line depth.

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) (F9) 1 1
 Yes = 1 No = 0

Evaluator Notes:

Yes. Maintained verbal contact with gas company inspector throughout the inspection.

9 During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable) (F10) 1 1
 Yes = 1 No = 0

Evaluator Notes:

NA. Discuss the 2 socket fussion side by side on the testing riser. Inspector made contract cut the 2 socket joints out.

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

- a. Abandonment
- b. Abnormal Operations
- c. Break-Out Tanks
- d. Compressor or Pump Stations
- e. Change in Class Location
- f. Casings
- g. Cathodic Protection
- h. Cast-iron Replacement
- i. Damage Prevention
- j. Deactivation
- k. Emergency Procedures
- l. Inspection of Right-of-Way
- m. Line Markers
- n. Liaison with Public Officials
- o. Leak Surveys
- p. MOP
- q. MAOP
- r. Moving Pipe
- s. New Construction
- t. Navigable Waterway Crossings
- u. Odorization
- v. Overpressure Safety Devices
- w. Plastic Pipe Installation
- x. Public Education
- y. Purging
- z. Prevention of Accidental Ignition
- A. Repairs
- B. Signs
- C. Tapping
- D. Valve Maintenance
- E. Vault Maintenance



- F. Welding
- G. OQ - Operator Qualification
- H. Compliance Follow-up
- I. Atmospheric Corrosion
- J. Other

Evaluator Notes:

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)? (C1) 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

2 Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? (C2) 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

3 Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? (C3) 1 NA
Yes = 1 No = 0 Needs Improvement = .5

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.) (C4) 1 NA
Yes = 1 No = 0 Needs Improvement = .5

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? (C5) 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

6 Did the state give written notice to PHMSA within 60 days of all probable violations found? (C6) 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

7 Did the state initially submit documentation to support compliance action by PHMSA on probable violations? (C7) 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

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

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)? (B21) 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes.

2 Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan? (B22) 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. Inspects municipal gas operators annually.

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.) (B23) 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes.

4 Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (B24) 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

5 Did the state give written notice to PHMSA within 60 days of all probable violations found? (B25) 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. Sent Notice of Probable Violation of City of Richmond Gas system to PHMSA Eastern Region to process.

6 Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? (B26) 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. City of Richmond was fined \$20,000.

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

Evaluator Notes:

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

