



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

1200 New Jersey Avenue SE
Washington DC 20590

2017 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)



2017 Gas State Program Evaluation -- CY 2017

Gas

State Agency: Pennsylvania

Agency Status:

Date of Visit: 09/10/2018 - 09/12/2018

Agency Representative: Paul Metro, Chief Engineer, Gas Safety Division

PHMSA Representative: Jim Anderson, State Liaison

David Lykken, Transportation Specialist

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

Name/Title: Gladys M. Brown, Chairman

Agency: Pennsylvania Public Utilities Commission

Address: PO Box 3265

City/State/Zip: Harrisburg, PA 17105-3265

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 2017 (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
48	48
15	15
10	10
8	8
12	12
0	0
0	0

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
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

No issues noted. Operator/unit information essentially aligns with data provided under attachment three of the PR.

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

Evaluator Notes:

A number of inspection person-days were devoted to supervisory personnel shadowing PAPUC staff on inspections and investigations. Time spent apportioned correctly in attachment 7. Field days appear to correspond with inspection reports reviewed. Total number of inspection days in CY2017 were 1693.

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

Evaluator Notes:

One point deducted. Multiple entry errors. Missing or incorrect OPID numbers. Some operators listed show as 'Inactive' or not listed in PDM. Some units noted as Transmission or Gathering have no mileage reported in annual reports according to PDM.

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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:

Yes. 6 reportable incidents in CY2017. Information entered aligns with data found in PDM.

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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:

No issues noted. Numbers match the program's inspection database information and correspondence reviewed.

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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. Records readily available via agency's pipeline database.

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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:

No issues noted. Supervisor and Inspector/Investigator apportioned accordingly. Training information verified with the training information locate in SABA.

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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:

State has automatic adoption by reference. Adoption dates aligned with federal effective dates listed.

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:

Yes. 1. The program has received initial approval to hire addition inspection staff over the next 4 years to cover addition workload needs associated with the new hazardous liquid and underground storage safety programs, potential increases in the number of master meter operators identified, and gathering line pipeline mileage to be inspected should the program gain jurisdiction over Class One segments. 2. The program has been aggressive is ensuring that inspection staff attend and successfully completed all T&Q offered training. 3. In CY2017, the PA legislature granted the PAPUC enforcement authority under their state Dig Law.

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

Evaluator Notes:

A-3. One point deducted. Multiple entry errors. Missing or incorrect OPID numbers. Some operators listed show as "Inactive" or not listed in PDM. Some units noted as Transmission or Gathering have no mileage reported in annual reports according to PDM.

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:

No issues. As noted in the last evaluation results...Standard inspection procedures located in the Pennsylvania Public Utility Commission Gas Safety Inspector Handbook on page 33. Inspection protocols are listed on page 14 and Pre and Post inspection instructions are on page 13 that outline the steps for all inspections completed by the Division.

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

No issues. As noted during last years evaluation...Gas IMP inspection procedures on page 20 of handbook. DIMP inspection procedures were located on page 18. Inspection protocols are listed on page 14 and Pre and Post inspection instructions are on page 13 that outline the steps for all inspections completed by the Division.

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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:

No issues. As noted previously. OQ inspection procedures on page 25 of handbook. Inspection protocols are listed on page 14 and Pre and Post inspection instructions are on page 13 that outline the steps for all inspections completed by the Division.

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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:

No Issues. Damage Prevention inspection procedures were located on page 24-25 of Handbook. Inspection protocols are listed on page 14 and Pre and Post inspection instructions are on page 13 that outline the steps for all inspections completed by the Division.

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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:

No issues. As stated previously...Operator Training inspection activities procedures were located on page 9 of Handbook. Inspection protocols are listed on page 14 and Pre and Post inspection instructions are on page 13 that outline the steps for all inspections completed by the Division.

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

No issues. Plastic pipe construction is found on page 26, steel pipe construction is found on page 29 and Compressor Station

Construction is found on page 16. Inspection protocols are listed on page 14 and Pre and Post inspection instructions are on page 13 that outline the steps for all inspections completed by the Division.

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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:

Length of time between inspections not to exceed five years. Inspection plan schedule of inspections for operators and inspection units is consistent with the priorities described in the procedures. Four methods used. 1) Risk formula 2) length of time since last 3) Construction workload 4) Staff analyst review of inspection data requested and collected from operators (Annual FL-1 letter).

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

Programs written procedures contain baseline information as required. Recommend that more attention be devoted to providing additional detail reflective of the high quality of the overall program.

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):
1693.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 11.75 = 2586.10

Ratio: A / B
1693.00 / 2586.10 = 0.65

If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
Points = 5

Evaluator Notes:

Yes. No issues noted. The total number of inspection days exceeded the minimum number required for CY2017.

- 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

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

A. Improvement from last year. Inspectors have now completed the PL-3622 OQ training necessary for conducting OQ inspections. B. Inspection staff who have conducted IM inspections as lead have completed all necessary T&Q training. C. Multiple Supervisory/Inspection staff have completed the T&Q Root Cause training. D. Outside training attended included the Appalachian Gas Measurement Short Course and Appalachian Underground Corrosion Short Course. E. Inspectors who conducted standard inspections as lead have attend all necessary T&Q 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:

Yes. As previously documented Mr. Metro has over 15 years of experience in Pipeline Safety and is knowledgeable of pipeline safety technology, enforcement applications, and administrative procedures.

- 4 Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. Chairman's letter sent out 9/20/2017. Response received 10/24/2017. Noted deficiency addressed and corrected.

- 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:

Yes. The annual pipeline safety seminar was conducted in State College, Pennsylvania on September 6-7, 2017.

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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. No issues noted. Written inspection plan calls for intervals not to exceed 5 years for conducting standard inspections. Program intending to hire additional staff to cover addition workload needs associated with the new hazardous liquid and underground storage safety programs, potential increases in the number of master meter operators identified, and gathering line pipeline mileage to be inspected should the program gain jurisdiction over Class One segments.

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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:

Inspection forms appears to cover the minimum content required however it appeared that some forms were of a 2011 vintage and have not been revised to reflect changes made in 2015. The program does not currently have a process in place or staff assigned to monitor changes when regulatory changes occur.

Inspection staff provide excellent, detailed notes in their inspection report summaries including findings of probable violations. However, staff provides little to no content with respect to observations made in the field or other substantive comments essential to support the inspector's rational when determining satisfactory compliance. It was recommended that staff provide additional detail in their inspection checklists to support satisfactory inspection results.

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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, The program issues a letter to all operators in the first quarter of each year. The letter (FL 1-XX) lists this question. Reviewed a sampling of letters sent out in CY2017. PA PUC reviews and tabulates data from the letters on cast iron and incorporates this data into their risk model.

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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, The program issues a letter to all operators in the first quarter of each year. The letter (FL 1-XX) lists this question. Reviewed a sampling of letters sent out in CY2017. PA PUC reviews and tabulates data from the letters on cast iron incorporates this data into their risk model.

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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 |
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Evaluator Notes:

Yes, The program issues a letter to all operators in the first quarter of each year. The letter (FL 1-XX) lists this question. Reviewed a sampling of letters sent out in CY2017. PA PUC reviews and tabulates data from the letters and incorporates this data into their risk model.

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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, The program issues a letter to all operators in the first quarter of each year. The letter (FL 1-XX) lists this question. Reviewed a sampling of letters sent out in CY2017. PA PUC reviews and tabulates data from the letters and incorporates this data into their risk model.

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- | | | | |
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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 |
|-----------|--|---|---|
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Evaluator Notes:

Yes. PA PUC staff members review the operator's annual reports and record results into the risk assessment spreadsheet.

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| 13 | 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. Formal Letter FL 1-17 issued to all operators the first quarter of each year. Made recommendation to program that they pay particular attention to the differences in transmission pipeline mileage that operators submit in their Annual Reports vs. what is reported to the NPMS.

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| 14 | 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:

Yes. Three D&A plan reviews conducted in CY2017. Formal Letter FL 1-17 to all operators issued the first quarter of each year requesting verification of positive results.

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| 15 | 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. Conducted a combination of 17 OQ Plan Review and Field Verification inspections in CY2017. With over 600 field days devoted to DTC, IM, and incident investigations in CY2017 a recommendation was made to increase the number of documented PHMSA Form-15 inspections conducted in the field now that the requirement for having to upload inspection results into the OQDB has been removed.

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| 16 | 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? Are replies to Operator IM notifications addressed? (formerly part of Question C-13)). 49 CFR 192 Subpart 0
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes. The states largest operators are visited annually. Both plan reviews and field verification inspections conducted in CY2017. Form appears to be of a 2011 vintage. Most current PHMSA version is dated May 2015.

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| 17 | 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
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes. The State's largest distribution operators are visited annually. Eight DIMP written plans reviewed in CY-2017. Again the DIMP form used appear to be of a 2011 vintage. Current PHMSA Form-22 revision date is May 2015.

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| 18 | 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 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:

Yes. Six PA Effectiveness inspections conducted in CY2017.

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|-----------|--|---|---|
| 19 | 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. Past monthly meetings with operators now held quarterly. A Public Documents page is provided on the PA-PUC web site to search for enforcement case information.

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|-----------|---|---|---|
| 20 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|
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Evaluator Notes:

One SRC reported and closed in CY2017. Program did not have a copy of the SRC report but did have documentation related to the investigation of the SRC. Suggested the program develop a written procedure for receiving and processing of SRC's. Suggested language was provided to the program for inclusion into their written procedures.

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|-----------|---|---|---|
| 21 | 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, The program issues a letter to all operators in the first quarter of each year. The Formal Letter (FL 1-XX) lists this question. Reviewed a sampling of letters sent out in CY2017. PA PUC reviews and tabulates data from the letters and incorporates this data into their risk model.

- | | | | |
|-----------|--|---|---|
| 22 | 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. Reviewed email responses to NAPSRS requested surveys.

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|-----------|--|---|---|
| 23 | 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 | 1 |
|-----------|--|---|---|
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Evaluator Notes:

Yes. Only one waiver in effect. Issued in 2015. Reviewed 10/20/2017 follow-up inspection to verify operator compliance with waiver stipulations. Two 10' sections of Fiberspar pipe were removed from test legs for lab testing. Lab testing results part of follow-up inspection report.

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|-----------|---|---|---|
| 24 | Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated?
No = 0 Needs Improvement = .5 Yes = 1 | 1 | 1 |
|-----------|---|---|---|
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Evaluator Notes:

Yes. Paul Metro and Sunil Patel attended the meeting held 9/25-29/2017 in Columbus, OH.

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|-----------|---|--------------------------------------|--|
| 25 | 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:

Discussed performance metrics. The PA-PUC metrics appeared to be at reasonable performance levels. Excavation damages per 1000 tickets (requested) which have trended slightly upward since 2010 are now down from 2016 averaging approximately 2.1 damages in CY2017. Inspection days per 1000 miles trending up since 2012 averaging 21 days in CY2017. The high number of leaks repaired and #of Hazardous leaks repaired per 1000 miles are results of the ongoing CI and Bare Steel replacement programs. The average number of outstanding leaks remains low as a result.

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| 26 | Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT) Has the State updated SICT data?
No = 0 Yes = 1 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

The PM satisfied with current data submission. SICT data has been updated. Does not anticipate making any changes.

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|-----------|--|---|----|
| 27 | Did the State verify Operators took appropriate action regarding Pipeline Flow Reversals, Product Changes and Conversions to Service? See ADP-2014-04
Needs Improvement = .5 No = 0 Yes = 1 | 1 | NA |
|-----------|--|---|----|

Evaluator Notes:

N/A no flow reversal, product changes, and/or conversion to service.

- | | | | |
|-----------|--|-----------|-----------|
| 28 | General Comments:
Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

C-7 Recommendation: Develop and implement a process to ensure that inspection forms remain up to date.

Recommendation that staff provide additional detail in their inspection checklists to support the inspectors rational when determining satisfactory results.

C-13 Recommendation to program that they pay particular attention to the differences in transmission pipeline mileage that operators submit in their Annual Reports vs. what is reported to the NPMS.

C-15 Recommendation to increase the number of documented PHMSA Form-15 inspections conducted in the field now that the requirement for having to upload inspection results into the OQDB has been removed.

C-20 Suggested the program develop a written procedure for receiving and processing of SRC's. Suggested language was provided to the program for inclusion into their written procedures.

Total points scored for this section: 48
Total possible points for this section: 48

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:

No changes to written procedures (Handbook). Notification to company official noted on Pages 36-37. Routine review of progress of compliance actions covered under Non-Compliance Follow Up Procedures, Page 22. Procedures for closing out outstanding PV's under Inspection and Enforcement Program beginning on Page 33.

- | | | | |
|----------|--|---|---|
| 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. | Within 30 days, conduct a post-inspection briefing with the owner or operator of the gas or hazardous liquid pipeline facility inspected outlining any concerns; and | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| f. | Within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection. | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

Issues well documented. Correspondence addressed to company or local government official. Remedial actions taken by operator to resolve non-compliance are routinely followed-up on. Exit briefings conducted at end of inspections. Notices to operators of inspection findings average within 30 to 45 days.

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

Evaluator Notes:

Yes. Reviewed inspection documentation and associated correspondence. Compliance actions correlate with numbers submitted under Attachment 5 of the Progress Report.

- | | | | |
|----------|---|----------|----------|
| 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. Correspondence to operators outline procedures for challenging where a penalty or corrective action has been recommended.

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

No issues - The PM understands the process for issuing civil penalties. One civil penalty in the amount of \$25,000 was assessed in CY2017. Civil penalties are considered for repeat violations.

- 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. As noted previously the PA-PUC has used their fining authority to issue civil penalties in past calendar years. In CY 2017 \$25,000 was assessed and \$1500 collected.

- 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:

Yes. Page 23 - Non Reportable Failure Investigation and Pages 27-28 - Reportable Failure Investigations.

- 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:

Pipeline operators know to contact the regional PA-PUC supervisor or default to one of the inspection staff to report incidents. All operators have PA PUC staff contact information. Process appears to work satisfactory. Program is familiar and understands the MOU between the NTSB and PHMSA and Federal/State cooperation in case of incidents.

- 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:

N/A. Inspection staff respond to all federally reportable incidents. Six reported incidents in CY2017. On-site inspections conducted in every case.

- 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:

Incidents investigations are well documented. Inspection staff make excellent use of photographs as part of the incident investigation reports. Investigation reports are thorough and complete.

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

Evaluator Notes:

Yes. Compliance actions were initiated as a result of issues identified.

- 6 Did the state assist Region Office or Accident Investigation Division (AID) 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, as necessary. The program maintains communications with AID and Eastern Region office during reportable events.

- 7 Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPS Region meetings, state seminars, etc) 1 1

Yes = 1 No = 0

Evaluator Notes:

Yes as part of the NAPSР Eastern Region - State of the State presentation, and during the annual NAPSР National meeting, annual state safety seminars.

8 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

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



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, The program issues a letter to all operators in the first quarter of each year. The Formal Letter (FL 1-XX) lists this question. Reviewed a sampling of letters sent out in CY2017. PA PUC inspectors review operator responses to this question.

- | | | | |
|---|--|---|---|
| 2 | Did the state inspector verify pipeline operators are following their 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. Addressed in inspection forms - One Call Verification, Facility Damages and Construction.

- | | | | |
|---|--|---|---|
| 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 Pipeline Safety Seminar and Pennsylvania One-Call Safety Days (Semi-Annual) which the PA-PUC sponsors.

- | | | | |
|---|--|---|---|
| 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, The program issues a letter to all operators in the first quarter of each year. The letter (FL 1-XX) lists this question. Excavation damages per 1000 tickets (requested) which have trended slightly upward since 2010 are now down from 2016 averaging approximately 2.1 damages in CY2017.

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

(1) PECO (2) PGW (3) UGI

Name of State Inspector(s) Observed:

(1) Elana Bozhko (2) Scott Orr (3) Jim Harcher

Location of Inspection:

(1) Wayne, PA (2) Philadelphia, PA (3) Oxford, PA

Date of Inspection:

(1) August 21, 2018 (2) August 22, 2018 (3) August 23, 2018

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:

(1) Yes

(2) Yes

(3) Yes

- 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:

(1) Yes

(2) Yes

(3) Yes

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

Evaluator Notes:

(1) Yes

(2) Yes

(3) 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:

(1) Yes

(2) Yes

(3) 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:

- (1) new construction
- (2) odorization
- (3) one-call locate

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:

- (1) Yes
- (2) Yes
- (3) 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)

1

1

Yes = 1 No = 0

Evaluator Notes:

- (1) Yes
- (2) Yes
- (3) Yes

9 During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable)

1

1

Yes = 1 No = 0

Evaluator Notes:

- (1) Possible Damage Prevention with state code
- (2) None found
- (3) None found

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 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

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|----|-----------------------------------|-------------------------------------|
| u. | Odorization | <input checked="" 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)? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

N/A. Not a Interstate agent.

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

Evaluator Notes:

N/A. Not a Interstate agent.

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

Evaluator Notes:

N/A. Not a Interstate agent.

- 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.) 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

N/A. Not a Interstate agent.

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

Evaluator Notes:

N/A. Not a Interstate agent.

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

Evaluator Notes:

N/A. Not a Interstate agent.

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

Evaluator Notes:

N/A. Not a Interstate agent.

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

Evaluator Notes:

Not a Interstate agent.

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:

N/A. Not a 60106 program.

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

N/A. Not a 60106 program.

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

N/A. Not a 60106 program.

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

N/A. Not a 60106 program.

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

N/A. Not a 60106 program.

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

N/A. Not a 60106 program.

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

Not a 60106 program.

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