



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

1200 New Jersey Avenue SE  
Washington DC 20590

# 2018 Gas State Program Evaluation

for

NEW JERSEY BOARD OF PUBLIC UTILITIES

## 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)



# 2018 Gas State Program Evaluation -- CY 2018

Gas

**State Agency:** New Jersey

**Agency Status:**

**Date of Visit:** 08/27/2019 - 08/29/2019

**Agency Representative:** Michael Stonack

**PHMSA Representative:** Jim Anderson

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

**Name/Title:** Joseph L. Fioraliso, President

**Agency:** New Jersey Board of Public Utilities

**Address:** 44 So. Clinton Ave., 7 th Floor

**City/State/Zip:** Trenton, New Jersey 08625

**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 2018 (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.

## 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	13
10	10
8	8
12	12
0	0
0	0

### TOTALS

**115 113**

**State Rating .....**

**98.3**

## 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<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

The number of operators indicated in Progress Report Attachment 1 (37) equals the number of operators indicated in Attachment 3 (37).

No issues.

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

Evaluator Notes:

Inspection days were higher in CY 2018 than in CY 2017: 486 /454.5.

Reviewed inspection days data. No issues.

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

Evaluator Notes:

The list of operators in Attachment 3 matches the operators in Attachment 1: 37 operators

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

Evaluator Notes:

4 reportable incidents were indicated on Attachment 4. Reports are in incident binders. 3 have DOT reports filed and one was listed as deemed significant by the operator.

Reviewed and discussed with program manager.

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

Evaluator Notes:

Compliance activities included \$14,000 in civil penalties assessed and collected in CY2018. Seventeen (17) probable violations were found and 4 were corrected. The names of the operators were listed in the Attachment 5 notes section. The number to be corrected at the end of CY2018 (including carry over violations) was fifteen (15).

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

Evaluator Notes:

Yes, program files, letters and reports were reviewed and found well-organized.

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

Evaluator Notes:

Yes, TQ training records show five inspectors including the Program Manager have completed all required TQ training courses to meet the Gas Inspector Training requirements. Two inspectors have completed Root Cause/Incident Investigation training requirements. One inspector has completed the DIMP and TIMP training requirements.

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

Evaluator Notes:

All rules and amendments adopted. In CY 2018, NJ had a civil penalty amount of \$100,000/\$1,000,000 for violations of pipeline safety regulations. In CY 2019, the NJ Legislature passed a bill to increase the maximum civil penalties to \$200,000/\$2,000,000 and the rule change became effective on June 26, 2019.

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

Evaluator Notes:

A detailed description on past and planned performance was provided in Attachment 10 of the CY 2018 Progress Report.

No issues.

- 
- |           |  |           |           |
|-----------|--|-----------|-----------|
| <b>10</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

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



## PART B - Program Inspection Procedures

Points(MAX)    Score

- |   |  |   |   |
|---|--|---|---|
| 1 | Standard Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 2 | 2 |
|---|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

**Evaluator Notes:**

Yes, standard inspection procedures including pre-inspection, inspection and post inspection information are located on pages 25-34 under Section 7, Inspection and Compliance Program, in NJBPU Procedures Manual dated August 2019.

- |   |  |   |   |
|---|--|---|---|
| 2 | IMP and DIMP Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

**Evaluator Notes:**

Yes, IMP and DIMP inspection procedures including pre-inspection, inspection and post inspection information are located on pages 30-34 under Section 7, Inspection and Compliance Program, in NJBPU Procedures Manual dated August 2019.

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

Yes = 1 No = 0 Needs Improvement = .5

**Evaluator Notes:**

Yes, OQ inspection procedures including pre-inspection, inspection and post inspection information are located on pages 25-34 under Section 7, Inspection and Compliance Program, in NJBPU Procedures Manual dated August 2019.

- |   |   |   |   |
|---|---|---|---|
| 4 | Damage Prevention Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

**Evaluator Notes:**

Yes, damage prevention inspection procedures including pre-inspection, inspection and post inspection information are located on pages 30-34 under Section 7, Inspection and Compliance Program, in NJBPU Procedures Manual dated August 2019.

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

Yes = 1 No = 0 Needs Improvement = .5

**Evaluator Notes:**

Yes, Operator Training procedures are located on page 32 under Section 7, Inspection and Compliance Program, in NJBPU Procedures Manual dated August 2019.

- |   |  |   |   |
|---|--|---|---|
| 6 | Construction Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

**Evaluator Notes:**

Yes, construction inspection procedures including pre-inspection, inspection and post inspection are located on pages 25-34 under Section 7, Inspection and Compliance Program, in NJBPU Procedures Manual dated August 2019.

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

Evaluator Notes:

Inspection priorities are located on pages 25-34 under Section 7, Inspection and Compliance Program, in NJBPU Procedures Manual dated August 2019.

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):  
486.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
 $220 \times 3.83 = 843.33$

Ratio: A / B  
 $486.00 / 843.33 = 0.58$

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

Evaluator Notes:

Yes. The ratio of .58 exceeds the needed ratio of .38.

- 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:

Yes, TQ training records show five inspectors including the Program Manager have completed all required TQ training courses to meet the Gas Inspector Training requirements. Two inspectors have completed Root Cause/Incident Investigation training requirements. One inspector has completed the DIMP and TIMP training requirements.

Outside Training ? Juan Urena completed NASTT's Horizontal Directional Drilling Good Practices Course in February 2018.

- 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, Mike Stonack has over twelve years of experience in pipeline safety as the Program Manager.

- 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, NJBPU President Joseph Fiordaliso's response letter to Zach Barrett was received on November 2, 2018, within the 60 day time requirement from the program evaluation letter sent on September 7, 2018.

- 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 last seminar was held on October 26, 2016 in Edison, NJ. The next seminar will be held on October 23, 2019.

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

Evaluator Notes:

Yes, a review of the NJBPU database confirmed all private operators and units were inspected in CY 2018 in accordance with time intervals established in the written procedures.

- 
- |          |  |   |   |
|----------|--|---|---|
| <b>7</b> | 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<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

Yes, NJBPU uses the federal inspection forms along with NJBPU inspection forms in reviewing the operator's compliance with the pipeline safety regulations. All forms are listed in the pipeline safety procedures manual. A review of inspection forms found in the NJBPU database confirmed completion of all applicable portions of the forms.

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- |          |   |   |   |
|----------|---|---|---|
| <b>8</b> | 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<br>Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

Yes, this item is listed in NJBPU Form GS-2 on page 2. NJBPU also added this question to the construction inspection forms, GS-9-ST & GS-9-PL.

Reviewed form.

- 
- |          |  |   |   |
|----------|--|---|---|
| <b>9</b> | 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<br>Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

Yes, this item is listed in NJBPU Form GS-3 page 1, under B 4.

Reviewed form.

- 
- |           |   |   |   |
|-----------|---|---|---|
| <b>10</b> | 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<br>Yes = 1 No = 0 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

Yes, this item is listed in NJ BPU Form GS-3 on page 2. B 8 (7).

Reviewed form.

- 
- |           |  |   |   |
|-----------|--|---|---|
| <b>11</b> | 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<br>Yes = 1 No = 0 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes, this item is listed in NJBPU Form GS-3 on page 2, B10.

Reviewed form.



- 12 Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, NJBPU inspectors review the operator's annual reports and perform analyses on the data annually. This information is included in spreadsheets maintained by the Program Manager. In addition, the Program Manager shared annual report data at the 2019 NAPS Eastern Region meeting in Cooperstown, NY.

Reviewed spreadsheets.

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

Evaluator Notes:

Yes, operators submit to NJBPU annually a report of any changes they have made or updates on their facilities. Additionally, this question is listed on NJBPU inspection form GS-3, Part E.4 on page 9.

Program manager emails each operator requesting the operator response from PHMSA of their submission.

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

Evaluator Notes:

Yes, this is accomplished by using PHMSA Form GS-40-199.

Last conducted in 2014/2015, scheduled in fall of 2019 for all.

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

Evaluator Notes:

Yes, this is accomplished using GS-21 or PHMSA Form 14. NJ BPU has a rule N.J.A.C. 14:7-1.23 that requires the operator to file with their organization any proposed updates.

NJNG/PSE&G - 2018 South Jersey/Elizabethtown - 2014 (scheduled for 2019)

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

Evaluator Notes:

Yes, this is accomplished in NJ BPU GS-31, Transmission IMP Inspection. NJ BPU has a rule N.J.A.C. 14:7-1.23 that requires the operator to file with their organization any proposed updates. TIMP plan inspections are conducted on a 5-year timeframe. TIMP in-line inspections, anomaly investigations, and remediations are inspected on an annual basis when scheduled by the operators.

All completed within past 3 years.

- |           |   |   |   |
|-----------|---|---|---|
| <b>17</b> | Is state verifying operator's gas distribution integrity management Programs (DIMP)?<br>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<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

Yes, all DIMP inspections were performed in CY2014. The second round of DIMP inspections were performed in CY2016. DIMP plan inspections are conducted on a 5-year timeframe.

Still within timeframe - scheduled for 2019.

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- |           |   |   |   |
|-----------|---|---|---|
| <b>18</b> | 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<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

Yes, Public Awareness program reviews were initially conducted in December 2013. In CY2016, four operators' public awareness programs were reviewed. The operators were Elizabethtown Gas Company, New Jersey Natural Gas, South Jersey Gas & Public Service Electric & Gas. PAPEI programs are reviewed on a 5-year timeframe. Effectiveness reviews are conducted by the NJBPU as applicable based on the operators evaluations that are conducted every 4 years in accordance with RP1162.

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- |           |  |   |   |
|-----------|--|---|---|
| <b>19</b> | 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).<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes, the NJBPU communicates pipeline safety and damage prevention information on the NJBPU website. The NJ Common Ground Alliance holds quarterly meetings to communicate with stakeholders. The meeting dates are in January, April, June, & October. An annual proclamation is signed by the Governor designating April as Underground Damage Prevention Month and special events are also planned on August 14 (811 day).

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- |           |   |   |   |
|-----------|---|---|---|
| <b>20</b> | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

Yes. One safety related condition report was filed in CY 2018 by PSE&G.

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- |           |   |   |   |
|-----------|---|---|---|
| <b>21</b> | 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?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

Yes, this was requested by e-mail sent to each operator by the Program Manager. A review/ evaluation of the responses/ reports was conducted. The operators' Mechanical Fitting Failure Reports were reviewed.

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- |           |  |   |   |
|-----------|--|---|---|
| <b>22</b> | Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

NAPSRS / PHMSA surveys were completed via e-mail or Survey Monkey.

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

Evaluator Notes:

No waivers or special permits were issued in CY2018. Last NJ BPU waiver was in 2003.

- 24 Did the state attend the NAPSRS National Meeting in CY being evaluated? 1 1  
No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

Yes, Juan Urena attended the 2018 NAPSRS National Meeting in Sante Fe, New Mexico from October 15-19, 2018.

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

Evaluator Notes:

Reviewed PHMSA State Program Performance Metrics.

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

Evaluator Notes:

Using the SICT, NJBPU estimated CY 2018 inspection person days as 554. Actual inspection person days were 486 in CY 2018.

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

Evaluator Notes:

No pipeline flow reversals occurred in CY 2018.

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

Evaluator Notes:

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

**PART D - Compliance Activities****Points(MAX) Score**

- |          |  |   |   |
|----------|--|---|---|
| <b>1</b> | Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1<br>Yes = 4 No = 0 Needs Improvement = 1-3 | <b>4</b>  | <b>4</b>                                |
| 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:**

- a. This is located on page 36, NJBPU Procedures Manual Section 7, Inspection & Compliance dated August 2019.
- b. This is located on pages 37, NJBPU Procedures Manual Section 7.
- c. This is located on page 37, NJBPU Procedures Manual Section 7.

- |          |  |   |   |
|----------|--|---|---|
| <b>2</b> | 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? (Incident Investigations do not need to meet 30/90 day requirement) Chapter 5.1<br>Yes = 4 No = 0 Needs Improvement = 1-3 | <b>4</b>  | <b>4</b>                                |
| 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:**

- a. Yes, a review of compliance action letters found they were mailed to company officers.
- b. Yes, violations were found and noted in the letters.
- c. Probable violations were resolved within the established time schedule.
- d. All violations were reviewed routinely and closed out when appropriate.
- e. Yes this is identified in the last paragraph of letter, NJAC 14:7-2.3 an amount of \$100,000 per day or \$1,000,000 for any series of violations.
- f. Yes, see page 34 of NJ BPU Procedures Manual Section 7, Inspection & Compliance dated August 2019.

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

**Evaluator Notes:**

Yes, eight (8) compliance actions were issued in CY2018 and are listed on CY 2018 NJBPU Progress Report, Attachment 5- Stats on Compliance Actions.

- |          |   |          |          |
|----------|---|----------|----------|
| <b>4</b> | Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary.<br>Yes = 2 No = 0 | <b>2</b> | <b>0</b> |
|----------|---|----------|----------|

**Evaluator Notes:**

On all compliance actions, except one. South Jersey inspection on May 17, 2018.

- |          |   |          |          |
|----------|---|----------|----------|
| <b>5</b> | 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | <b>2</b> | <b>2</b> |
|----------|---|----------|----------|

**Evaluator Notes:**

Yes, Program Manager Mike Stonack is familiar with this process and has issued civil penalties throughout the years. A civil penalty was issued in CY2018 against New Jersey Natural Gas in the amount of \$14,000.

---

- 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, a civil penalty was issued against New Jersey Natural Gas in CY2018.

---

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

Evaluator Notes:

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Total points scored for this section: 13  
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, this information is located starting on page 39, under section 8, Failure Investigation and Safety Related Conditions in NJBPU Pipeline Safety Procedures Manual.

- 2 Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 2 2

Yes = 2 No = 0 Needs Improvement = 1

- a. Acknowledgement of MOU between NTSB and PHMSA (Appendix D) Yes ☒ No ☐ Needs Improvement ☐
- b. Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Yes, Section 8, Failure Investigation and Safety Related Conditions in NJBPU Pipeline Safety Procedures Manual addresses these items and Appendix F b. this information is listed in Section 8, NJBPU Pipeline Safety Procedures Manual and the full documents are provided in Appendix G of the procedures manual.

- 3 If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, all telephone calls and emails from operators pertaining to reportable incidents/accidents are responded to by NJBPU pipeline safety inspectors. NJBPU requires all operators to report incidents/accidents by e-mail to all inspectors. A decision to go or not go to a site will be rendered by the Program Manager and is contained in the e-mail files and incident binder, as applicable.

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

Yes = 3 No = 0 Needs Improvement = 1-2

- a. Observations and document review Yes ☒ No ☐ Needs Improvement ☐
- b. Contributing Factors Yes ☒ No ☐ Needs Improvement ☐
- c. Recommendations to prevent recurrences when appropriate Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Yes, all four jurisdictional incidents in CY 2018 were investigated and thoroughly documented with information, findings, conclusions, and recommendations, where appropriate.

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

Yes = 1 No = 0

Evaluator Notes:

No violations were found or noted in the investigation of the four jurisdictional incidents in CY 2018.

- 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, the Program Manager or designee has related information on incident reports to the Region Office and AID via e-mail.

---

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

Evaluator Notes:

Yes, Program Manager Mike Stonack provided an overview of CY 2018 incidents at the 2019 NAPS SR Eastern Region meeting held in Cooperstown, NY.

---

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

Evaluator Notes:

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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<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, this is accomplished by New Jersey Administrative Code Section 14:7-1.25 and is included in each operator's construction procedures manual.

- |   |  |   |   |
|---|--|---|---|
| 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?<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, this is accomplished during construction and office inspections. Forms NJ BPU GS 9-ST, GS 9- PL, GS-13 & GS-1 are used to monitor this item.

- |   |  |   |   |
|---|--|---|---|
| 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.)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, during the months of February thru April each year, breakfast training seminars on damage prevention and using 811 are conducted with stakeholders. In CY 2018 1,132 stakeholders attended 14 excavator training seminars in several regions of the state, covering all 21 NJ counties. Governor's Proclamation ? April 2018 ? NJ Underground Damage Prevention Month.

- |   |  |   |   |
|---|--|---|---|
| 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, NJ BPU reviews the pipeline damages quarterly and annually. In CY2018, New Jersey had 2.14 pipeline damages per 1,000 locate requests. The number of total ticket requests increased from 725,756 in CY 2017 to 795,906 in CY 2018.

- |   |  |           |           |
|---|--|-----------|-----------|
| 5 | General Comments:<br>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:

New Jersey Natural Gas

Name of State Inspector(s) Observed:

(1) Juan Urena (2) John Staudenmayer (3) Andre Moses

Location of Inspection:

Lake Hurst, NJ

Date of Inspection:

August 29, 2019

Name of PHMSA Representative:

Jim Anderson

Evaluator Notes:

Inspected 3 aspects of a construction - (1) shrink sleeve wrap, (2) welding and (3) a tie-in.

- 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:

Each inspector for the 3 aspects of the inspection had an appropriate form.

- 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:

Each inspector reviewed with the operator the procedures for each aspect of the inspection.

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

Evaluator Notes:

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

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) Yes = 1 No = 0	1	1
---	---	---	---

Evaluator Notes:

- (1) None found
- (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                   | <input type="checkbox"/>            |  |
| b. | Abnormal Operations           | <input type="checkbox"/>            |  |
| c. | Break-Out Tanks               | <input type="checkbox"/>            |  |
| d. | Compressor or Pump Stations   | <input type="checkbox"/>            |  |
| e. | Change in Class Location      | <input type="checkbox"/>            |  |
| f. | Casings                       | <input type="checkbox"/>            |  |
| g. | Cathodic Protection           | <input type="checkbox"/>            |  |
| h. | Cast-iron Replacement         | <input type="checkbox"/>            |  |
| i. | Damage Prevention             | <input type="checkbox"/>            |  |
| j. | Deactivation                  | <input type="checkbox"/>            |  |
| k. | Emergency Procedures          | <input type="checkbox"/>            |  |
| l. | Inspection of Right-of-Way    | <input type="checkbox"/>            |  |
| m. | Line Markers                  | <input 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 checked="" type="checkbox"/> |  |
| t. | Navigable Waterway Crossings  | <input type="checkbox"/>            |  |
| u. | Odorization                   | <input type="checkbox"/>            |  |
| v. | Overpressure Safety Devices   | <input type="checkbox"/>            |  |
| w. | Plastic Pipe Installation     | <input 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 checked="" 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:

Inspected 3 aspects of a construction - (1) shrink sleeve wrap, (2) welding and (3) a tie-in.

---

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



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

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

- |          |   |   |    |
|----------|---|---|----|
| <b>4</b> | 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.)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

- |          |  |           |           |
|----------|--|-----------|-----------|
| <b>8</b> | General Comments:<br>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**

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

- |          |  |           |           |
|----------|--|-----------|-----------|
| <b>7</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:

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