



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

Delaware PSC

Document Legend

PART:

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



2018 Gas State Program Evaluation -- CY 2018

Gas

State Agency: Delaware

Agency Status:

Date of Visit: 07/29/2019 - 08/02/2019

Agency Representative: Wayne Ericksen, Program Manager
Jerry Platt, Previous Program Manager
Matthew Hartigan, Deputy Director

PHMSA Representative: Glynn Blanton, State Liaison, PHMSA State Programs

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

Name/Title: Dallas Winslow, Chair
Agency: Delaware Public Service Commission
Address: 861 Silver Lake Blvd., Cannon Building
City/State/Zip: Dover, Delaware 19904

Rating:

60105(a): Yes **60106(a):** No **Interstate Agent:** No

INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 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	10	10
B Program Inspection Procedures	13	13
C Program Performance	46	46
D Compliance Activities	15	14
E Incident Investigations	4	3
F Damage Prevention	8	7
G Field Inspections	12	12
H Interstate Agent State (If Applicable)	0	0
I 60106 Agreement State (If Applicable)	0	0
TOTALS	108	105
State Rating		97.2

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

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

Evaluator Notes:

Reviewed jurisdictional authority in SharePoint to confirm state authority. No issues with their authority pertaining to Section 60105 as indicated on Attachment 1. The majority of operators are LPG-15, Master Meter-9 and Private Operators-3. No municipal operators in Delaware. Total number of operators are 30 and inspection units 133.

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

A review and comparison of last year's inspection activities show 16 more inspections performed. No inspections in damage prevention activities and majority of inspection are in the construction category for private operators.

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

Evaluator Notes:

A review of attachment 3 indicate one new LPG operator, Boulden Brothers, was added and an increase in the number of inspection unites for Petroleum Equipment from 24 to 27 and Sharp Energy from 43 to 47. As a reminder, new operators need to be listed in the note section of Attachment 3.

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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:

No reportable incidents occurred in CY2018.

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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:

A review of attachment 5 found a high number of carryover into CY2019. However, good description of the number of violations was provided in the note section. Enforcement action is being taken and two civil penalties were collected in the amount of \$32,000.

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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:

Office files were accessible and well-organized. All inspection reports are stored on the agency's drive, DelaFile and hard copies in individual file folders.

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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 |
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Evaluator Notes:

A review of TQ Blackboard data base found Robert Schaeffen has completed courses for Gas & IM qualifications. Chavis Bianco has not completed all required courses for Gas inspector. Information listed on training was correct and accurate.

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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:

All federal regulations have been adopted along with the civil penalties of \$213,268/\$2,132,268. No issues of concern.

- 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:

Good description of planned and past performance provided. Agency has recently obtained enforcement authority for damage prevention by the State Legislature in CY2018. The damage prevention regulations have not been established by the DE PSC but are due in CY2020.

- 10** General Comments: Info OnlyInfo Only
Info Only = No Points

Evaluator Notes:

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

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



PART B - Program Inspection Procedures

Points(MAX) Score

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

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

The standard inspection information is located in Delaware Public Service Commission (DE PSC) Pipeline Safety Program Procedures 25th revision, April, 2018 on page 5. Additionally, all types of inspections performed are listed on pages 3-7. The pre-inspection & post-inspection is on page 4 and actual inspection types on page 6.

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

IMP & DIMP inspections are located in DE PSC Pipeline Safety Program Procedures page 6. The pre-inspection, actual inspection, and post-inspection requirements are treated in a generic fashion for all types of inspection and listed on page 4 & 6.

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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:

OQ inspections are located in DE PSC Pipeline Safety Program Procedures page 6. The pre-inspection, actual inspection, and post-inspection requirements are treated in a generic fashion for all types of inspection and listed on page 4 & 6.

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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:

Damage prevention inspection procedures are located in DE PSC Pipeline Safety Program Procedures page 6. The pre-inspection, actual inspection, and post-inspection requirements are treated the same way for all types of inspections and listed on page 4 & 6. Damage prevention is also addressed in questions listed in the standard inspection form.

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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:

Operator training procedures are located in DE PSC Pipeline Safety Program Procedures page 6.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Construction inspection procedures are located in DE PSC Pipeline Safety Program Procedures page 5.

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

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

a thru e are addressed in DE PSC Pipeline Safety Program Procedures on pages 2 & 3. Additionally, the scoring method for prioritizing each operator is described in Appendix B. All inspection units were found to be broken down correctly.

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

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

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



PART C - Program Performance

Points(MAX) Score

- 1 Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 5 5
Yes = 5 No = 0
- A. Total Inspection Person Days (Attachment 2):
204.00
- B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 1.97 = 433.40
- Ratio: A / B
204.00 / 433.40 = 0.47
- If Ratio \geq 0.38 Then Points = 5, If Ratio $<$ 0.38 Then Points = 0
Points = 5

Evaluator Notes:

- A.Total Inspection Person Days (Attachment 2)= 204
B.Total Inspection Person Days Charged to the program(220*Number of Inspection person years(Attachment 7)=433.4
Formula:- Ratio = A/B = 204/433.4 = 0.47
Rule:- (If Ratio \geq .38 then points = 5 else Points = 0.)
Thus Points = 5

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 5 5
Yes = 5 No = 0 Needs Improvement = 1-4
- a. Completion of Required OQ Training before conducting inspection as lead? Yes ☒ No ☐ Needs Improvement ☐
- b. Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 Yes ☒ No ☐ Needs Improvement ☐
- c. Root Cause Training by at least one inspector/program manager Yes ☒ No ☐ Needs Improvement ☐
- d. Note any outside training completed Yes ☒ No ☐ Needs Improvement ☐
- e. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

- a. One inspector has completed all required courses and qualified for Active Gas Inspector.
b. One inspector has completed all courses to qualify for DIMP/TIMP inspections.
c. One inspector has completed the root cause course in CY2009.
d. No outside training has been attended or completed by the inspector staff members.
e. Yes, a review of TQ Blackboard confirm one inspector is qualified to be the lead inspector on standard inspections.

- 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, Jerry Platt is knowledge and has completed all required courses at TQ. On April 23, 2019, Mr. Platt resigned to take another position in Delaware state government. On June 24, 2019, Mr. Wayne Ericksen was appointed the new Program Manager. No loss of points occurred on this question because this state program evaluation is for calendar year 2018.

- 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:

No response letter was required from Chairman Winslow on the 2017 State Program Evaluation.

- 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, DE PSC held a pipeline safety seminar at Delaware Technical Community College - Terry Campus, Dover DE on December 13, 2018. The total number of attendees were sixty operators.

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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 |
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Evaluator Notes:

Yes, a review of files and spreadsheets found all operators and inspection units were performed in accordance to the written procedures. No areas of concern.

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| 7 | Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, they use the federal and state forms for all types of inspections. The forms are listed on Appendix D of the DE PSC Pipeline Safety Program Procedures.

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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:

One operator in the state has cast iron pipelines. During the inspection of Delmarva Power Light Company on October 30, November 11 and December 17, 2018 they reviewed the company's procedures and verified action was being taken if graphitization was found.

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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 |
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Evaluator Notes:

Yes, this item is checked during the standard inspection of Delmarva Power Light Company who is the only operator who has cast iron pipelines. The inspector has checked this item by reviewing the operator's procedures and records related to this item.

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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, when performing a Standard Inspection they use PHMSA form that addresses these items in several questions.

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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 |
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Evaluator Notes:

Yes, the Program Manager reviews all plastic pipe failures for each LDC and mechanical fitting failure reports.

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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? | 2 | 2 |
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Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, the Program Manager annually reviews the Operator Annual Reports and graphs the data. This information assists in monitoring trends and is shared with the inspectors.

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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, this is reviewed during the standard inspection.

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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, four drug and alcohol inspections were conducted on the LDC's and landfill gas operators.

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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, DE PSC performs OQ inspections on each LDC every 3 years, and MMO's and LPG operators are inspected every 5 years. In 2018 six LP, two private, five Master Meter and one transmission operators were inspected.

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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, during the IMP inspection of Delmarva on August 23, 2018 this item was reviewed with the operator.

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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, during the DIMP inspection of Delmarva Power on August 23, 2018 all plans and progress reports were reviewed. Delmarva Power is the largest operator.

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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, DE PSC conducted a Public Awareness effectiveness using PHMSA Form 21 on Chesapeake Gas Company on 1/29/2016 and Delmarva on 9/1/2016. The effectiveness review is scheduled in 2020.

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

Evaluator Notes:

Yes, this is accomplished by DE PSC website that contains information about the pipeline safety program and regulations. They have a link to PHMSA website.

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

Evaluator Notes:

No safety related condition reports in CY2018.

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

Evaluator Notes:

The State collects data from each of the LDC's about their plastic pipe failures on the annual report. The operator also submits this information to the PPDC for review.

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

Evaluator Notes:

Yes, previous program manager did participate in all surveys as provided by NAPSRS Administrative Manager.

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

Evaluator Notes:

DE PSC has never issued a waiver/special permit. NA

- 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, Jerry Platt attended the NAPSRS National Meeting in Santa Fe, NM.

- 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:

Yes, reviewed the state program performance metrics with the new program manager and explained the purpose of the data.

- 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:

Reviewed with the new program manager the importance of the SICT numbers and inspection days required to perform an inspection.

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

Evaluator Notes:

The current program manager is unaware of any action by the operator pertaining to pipeline flow reversals or product changes.

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

Evaluator Notes:

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

Total points scored for this section: 46
Total possible points for this section: 46



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

Evaluator Notes:

- a. Notification to the company officer on noncompliance issues are addressed in the DE PUC written procedures on page 8, Enforcement and Violations.
- b. A review of written procedures found information on conducting a routine review of progress in taking compliance action by the operator to address a violation is not completely addressed in the document. Improvement is needed.
- c. Close out of probable violations is determined by the Commission as described in the Enforcement and Violation section of the written procedures. This information is not clear and improvement is needed in re-writing the procedures to include a review by the Program Manager prior to Commission approval.

- | | | | |
|----------|--|--------------------------------------|---|
| 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? (Incident Investigations do not need to meet 30/90 day requirement) Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 3 |
| 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 type="radio"/> | No <input checked="" type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

- a. Yes, a review of files found four compliance letters were sent to the company officer.
- b. Yes, compliance letters reviewed found all probable violation were documented.
- c. Yes, probable violations were resolved due to action by the operator to correct the item.
- d. Yes, probable violations were routinely reviewed by program manager.
- e. Yes, post-inspections were performed in accordance to written procedures.
- f. Yes, three of the four written findings were provided to operators within 90 days of the inspection. However, one operator AP Hunter Crossing Investors was not notified within the 90 day period. Inspection was performed on August 31, 2017 and letter sent on January 18, 2018. A loss of one point occurred due to not meeting the 90 days time schedule.

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

Evaluator Notes:

Yes, four compliance actions for probable violations were issued. Compliance action letters were sent to the following: Dover Housing Authority, Sharp Energy, Inc., Chesapeake Utilities Corporation and AP Hunters Crossing Investors.

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

Evaluator Notes:

Yes, operators are provided with an opportunity for a hearing to dispute the findings of a probable violations. This option is listed in the NOPV letter.

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

Evaluator Notes:

Yes, the previous manager was familiar with imposing civil penalties. In CY2018, \$42,000 was assessed against four operators.

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:

In CY2018, DE PSC assessed 3 civil penalties in the amount of \$42,000 and collected \$32,000 from 2 of the 3 civil penalties.

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

Evaluator Notes:

A loss of one point occurred on Question D.2 due to not meeting the 90 day notification requirements.

Total points scored for this section: 14
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, written procedures pertaining to incident/accident is listed on page 7 of DE PSC Pipeline Safety Program Procedures.

- 2 Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 2 1
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:

A review of written procedures found the information on receiving and responding to an incident is not completely addressed. Therefore, improvement is needed and a loss of one point occurred.

a&b. The acknowledgement of MOU and Federal/State Cooperation documents are located in a file binder located in the program manager's office.

- 3 If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

NA. In CY2018 no incidents/accidents occurred.

- 4 Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? 3 NA
Yes = 3 No = 0 Needs Improvement = 1-2

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

Evaluator Notes:

NA. No accidents/incidents occurred in CY2018.

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

Evaluator Notes:

NA. No accidents/incidents occurred in CY2018.

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

Evaluator Notes:

NA. No accidents/incidents occurred in CY2018.

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

Evaluator Notes:

NA. No accidents/incidents occurred in CY2018.

- 8 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

A loss on one point occurred on Question E.2 of this section of the review.

Total points scored for this section: 3
Total possible points for this section: 4



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

Evaluator Notes:

DE PSC is currently reviewing this item on a case by case but does not have this question on the standard or construction inspection form to insure meeting this requirement. Therefore, improvement is needed and a loss of one point occurred.

- | | | | |
|---|--|---|---|
| 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, the state inspector reviews the written procedures during the standard inspection. Additionally, he verifies the one call notification and marking of the facilities during the construction inspection. It would be of value to add a question on the construction form to indicate all facilities have been marked.

- | | | | |
|---|--|---|---|
| 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, the program manager attends Miss Utility of Delmarva One Call center meetings and shares information about CGA Best Practices.

- | | | | |
|---|--|---|---|
| 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, data from the Miss Utility of Delmarva is provided to DE PSC on a monthly basis and information is tracked by both parties regarding trends in damages.

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

Evaluator Notes:

A loss of one point occurred on Question F.1 in this section of the review.

Total points scored for this section: 7
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:

Chesapeake Utilities

Name of State Inspector(s) Observed:

Robert Schaeffgen, Engineer III

Location of Inspection:

Dover, DE

Date of Inspection:

July 30, 2019

Name of PHMSA Representative:

Glynn Blanton, PHMSA State Evaluator

Evaluator Notes:

Two separate construction inspections were performed on Chesapeake Utilities Corporation on July 30th. The first inspection was at 941 Robinson Road, subdivision of Robinson Farm in Townsend, DE. The second inspection was at 424 Rosenberger Drive, subdivision of Cedar Lane, Middletown, DE. Observed construction crew installing new service lines.

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

Evaluator Notes:

Yes, Mr. Bob Schaeffgen contacted Melissa Koenig with Chesapeake Utilities Corporation two weeks prior to the inspection.

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

Evaluator Notes:

Yes, observed Bob Schaeffgen using DE PSC Plastic Pipe Construction inspection form to record all relative information about the construction projects into the form.

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

Evaluator Notes:

Yes, each item listed on the construction form was completed and thoroughly documented with size of pipe, operator qualifications, pressure test and other relative information.

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

Evaluator Notes:

Yes, Bob Schaeffgen reviewed the construction crew personnel OQ documentation, pyrometer, fusion equipment settings and air pressure gauges.

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

a. Procedures ☒

b. Records ☒

c. Field Activities ☒

d. Other (please comment) ☐

Evaluator Notes:

Yes, Bob Schaeffgen reviewed the operator's procedures and verified the records in the field.

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
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Evaluator Notes:

Yes, Bob Schaefer was completed all the required courses at TQ and qualified to be an Gas Inspector. He was very thorough and conducted a professional inspection.

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
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Evaluator Notes:

Yes, an exit interview was conducted at each of the two construction sites with the construction inspector, Mr. Trey Moore.

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

No violations were found or noted at the two construction sites.

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
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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 checked="" type="checkbox"/> |
| x. | Public Education | <input type="checkbox"/> |
| y. | Purging | <input type="checkbox"/> |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/> |
| A. | Repairs | <input type="checkbox"/> |
| B. | Signs | <input type="checkbox"/> |

- | | | |
|----|-----------------------------|-------------------------------------|
| C. | Tapping | <input type="checkbox"/> |
| D. | Valve Maintenance | <input type="checkbox"/> |
| E. | Vault Maintenance | <input type="checkbox"/> |
| F. | Welding | <input type="checkbox"/> |
| G. | OQ - Operator Qualification | <input checked="" type="checkbox"/> |
| H. | Compliance Follow-up | <input type="checkbox"/> |
| I. | Atmospheric Corrosion | <input type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

Bob Schaeffen performed a professional inspection.

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



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

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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:
NA

- | | | | |
|----------|--|---|----|
| 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:
NA

- | | | | |
|----------|---|---|----|
| 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:
NA

- | | | | |
|----------|---|---|----|
| 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:
NA

- | | | | |
|----------|--|---|----|
| 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:
NA

- | | | | |
|----------|--|---|----|
| 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:
NA

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

Evaluator Notes:
NA

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