



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

1200 New Jersey Avenue SE
Washington DC 20590

2013 Natural 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)

2013 Natural Gas State Program Evaluation -- CY 2013
Natural Gas

State Agency: Delaware

Agency Status:

Date of Visit: 10/06/2014 - 10/11/2014

Agency Representative: Jerry Platt, Pipeline Safety Program Manager

PHMSA Representative: Patrick Gaume, State Liaison

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

Name/Title: Mr. Dallas Winslow, Chair

Agency: Delaware Public Service Commission

Address: 861 Silver Lake Blvd., Ste 100

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 2013 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

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

Scoring Summary

PARTS		Possible Points	Points Scored
A	Progress Report and Program Documentation Review	9	8.5
B	Program Inspection Procedures	15	15
C	Program Performance	45	42
D	Compliance Activities	15	15
E	Incident Investigations	2	2
F	Damage Prevention	8	8
G	Field Inspections	12	12
H	Interstate Agent State (If Applicable)	0	0
I	60106 Agreement State (If Applicable)	0	0
TOTALS		106	102.5
State Rating			96.7

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

1	Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1 (A1a) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: A1. Yes, Attachment 1 is accurate & is consistent with Attachment 3 & attachment 8. Advised that 'Interstate LNG' would be more correct as 'F' instead of 'A'.			
2	Review of Inspection Days for accuracy - Progress Report Attachment 2 (A1b) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: A2. Yes. Attachment 2 agrees with in-house records of inspection days.			
3	Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3 (A1c) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: A3. Yes. Attachment 3 is in agreement with Attachment 1.			
4	Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 (A1d) Yes = 1 No = 0 Needs Improvement = .5	1	NA
Evaluator Notes: A4. NA. No reportable incidents in 2013. Last reportable incident occurred in Oct 2010.			
5	Accuracy verification of Compliance Activities - Progress Report Attachment 5 (A1e) Yes = 1 No = 0 Needs Improvement = .5	1	0.5
Evaluator Notes: A5. NI 0.5 pts. Attachment 5 errors were found and self-reported. The corrections were submitted and made into FedStar during the Evaluation. Old numbers were 4, 15, 0, 17, & 2. Corrected numbers are 3, 17, 0, 18, & 2. Attachment 5 agrees with the inspection & compliance records.			
6	Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 (A1f, A4) Yes = 2 No = 0 Needs Improvement = 1	2	2
Evaluator Notes: A6. Yes. Records are a combination of electronic, email, and hard copy.			
7	Was employee listing and completed training accurate and complete? - Progress Report Attachment 7 (A1g) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: A7. Yes, Robert is fully trained & Jerry completed his mandatory 7 classes in 2014 and will meet his 5 year training deadline in May, 2015. DE PSC training records agree with TQ training records.			
8	Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: A8. Yes. The regulations are written into the DE Law. Question 1 of attachment 8 is not quite right; DE PSC actually has the full \$200K/\$2mm authority not the \$100K/\$1mm as reported. This was corrected during the Evaluation.			

- 9 List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 (H1-3) 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A9. Yes.

the PSC will ensure the operators are making adequate progress in their replacement of cast iron and bare steel pipelines. More attention is planned for the Master Meter Operators this year, especially in terms of their DIMP plans. Also, a better sampling of construction activities is desirable for the upcoming year.

PSC obtained authority in early 2014 to hire a second Inspector to their program to provide for succession planning and continuity of effort.

10 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

A10. All records are readily available and organized. The Program Manager keeps the majority of records in the central location of his office. Other records are kept together as appropriate to standard practice of the agency.

Total points scored for this section: 8.5
Total possible points for this section: 9

PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|----------|--|---|---|
| 1 | Standard Inspections (B1a)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

B1. Yes. DE PSC Pipeline Safety Program Procedures, 'INSPECTION PROCEDURES' & Appendix C.

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

Evaluator Notes:

B2. Yes. DE PSC Pipeline Safety Program Procedures, 'INSPECTION PROCEDURES' & Appendix C.

- | | | | |
|----------|---|---|---|
| 3 | OQ Inspections (B1c)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

B3. Yes. DE PSC Pipeline Safety Program Procedures, 'INSPECTION PROCEDURES' & Appendix C.

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

Evaluator Notes:

B4. Yes. DE PSC Pipeline Safety Program Procedures, 'INSPECTION PROCEDURES' & Appendix C.

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

Evaluator Notes:

B5. Yes. DE PSC Pipeline Safety Program Procedures, page 4, paragraph 4.

- | | | | |
|----------|---|---|---|
| 6 | Construction Inspections (B1f)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

B6. Yes. DE PSC Pipeline Safety Program Procedures, 'INSPECTION PROCEDURES' & Appendix C.

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

Evaluator Notes:

B7. Yes. DE PSC Pipeline Safety Program Procedures, page 5 paragraph 1.

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

- | | | | |
|--|--------------------------------------|--------------------------|---|
| a. Length of time since last inspection | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. Type of activity being undertaken by operators (i.e. construction) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors) | Yes <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:

B8. Yes. DE PSC Inspection Procedures Manual- Appendix B.

9 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

B9. The PSC was successful in completing the PAPEI Inspections for the LDCs before 12/31/2013 and is on track to complete the DIMP Inspections for all regulated operators by 12/31/2014. PAPEI Inspections for MMOs & LPGs are ongoing and are targeted to be complete by 6/30/2015. The PSC has been authorized to increase staff to 2 Inspectors.

It is the intent of DE PSC to perform a Standard O&M Inspection of each Operator and visit each Unit every year, even though Policies and Procedures do not require it. Annual inspections for every operator are nearly achieved every year. Priority is given to the natural gas LDC Units in Procedures and practice, as these cover the majority of citizens in the state. Both LDC's work very well with the DE PSC to help accomplish this mission. MMO's and LPG operators also cooperate well in having their facilities inspected.

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

PART C - Program Performance**Points(MAX) Score**

- 1** Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 (A12) 5 5
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):
127.99

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 $220 \times 0.97 = 213.40$

Ratio: A / B
 $127.99 / 213.40 = 0.60$

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

Evaluator Notes:

C1. Yes 128 IPD, 0.97 IPY, $126 / (.97 \times 220) = 0.5998$, $> .38$, Okay.

- 2** Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines for requirements) Chapter 4.4 (A8-A11, G19) 5 5
Yes = 5 No = 0 Needs Improvement = 1-4

- | | | | | |
|----|--|--------------------------------------|--------------------------|---|
| a. | Completion of Required OQ Training before conducting inspection as lead? | Yes <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"/> |

Evaluator Notes:

C2. Yes, Robert is qualified for Standard, OQ, IMP, & has Root Cause Training. He is also maintaining HAZWOPER Certification. Jerry is still in his 5 year training (to May, 2015), but has already completed his required 7 Classes by 9/30/14.

- 3** Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 (A5) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C3. Yes, Jerry is now into his 5th year as a Program Manager, I judge him to be competent in his position and he has completed the required 7 TQ Classes. He plans to continue to take most or all of the 17+- TQ Classes.

- 4** Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 (A6-7) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C4. Yes, the letters were dated August 26 & October 16, 2013. Items 3-6 were responded to as directed.

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

Evaluator Notes:

C5. Yes, in 2009 and on Dec 11, 2012. Tentative schedule for the next one is Oct 26, 2015. The 2012 mtg was VERY successful.

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

Evaluator Notes:

C6. NI 4 of 5 points - Review of records show that OQ re-inspections for 8 Master Meter or Propane Operators are missing from the database.

7	Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1 (B4-5) Yes = 2 No = 0 Needs Improvement = 1	2	1
<p>Evaluator Notes:</p> <p>C7. NI 1 point; Reviewed 7 inspections, that included DIMP, OQ, & Standard, that were conducted during 2013. One inspection, a Standard Inspection of Chesapeake Dover Unit, was done in several time and subject increments and was found to not be complete. The problems associated with conducting inspections in this manner were discussed. The other 6 inspections were okay.</p>			
8	Did the state review operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken? (NTSB) Chapter 5.1 (B7) Yes = 1 No = 0	1	1
<p>Evaluator Notes:</p> <p>C8. Yes. Federal inspection form-# 2 Part 192.489 (b); pp. 19.</p>			
9	Did the state review operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance) (NTSB) Chapter 5.1 (B8) Yes = 1 No = 0	1	1
<p>Evaluator Notes:</p> <p>C9. Yes. Federal inspection form- #2; pg 4 Part 192.613(a).</p>			
10	Did the state review operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21? (NTSB) Chapter 5.1 (B9) Yes = 1 No = 0	1	1
<p>Evaluator Notes:</p> <p>C10. Yes. Federal inspection form- #2; pg 5 Part 192.615 (a) (7).</p>			
11	Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 192.617? Chapter 5.1 (B10,E5) Yes = 1 No = 0	1	1
<p>Evaluator Notes:</p> <p>C11. Yes. Federal inspection form- #2; pg 4 & 5 Part 192.614 (c).</p>			
12	Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? Data Initiative (G6-9,G16) Yes = 2 No = 0 Needs Improvement = 1	2	2
<p>Evaluator Notes:</p> <p>C12. Yes. PSC reviews this data on a regular basis for each LDC, Transmission, & LNG Operator and analyzes. Also the annual reports on mechanical fitting failures.</p>			
13	Did state input all applicable OQ, IMP inspection results into federal database in a timely manner? This includes replies to Operator notifications into IMDB database. Chapter 5.1 (G10-12) Yes = 2 No = 0 Needs Improvement = 1	2	2
<p>Evaluator Notes:</p> <p>C13. Yes. The OQ & TIMP information has been placed into the databases. The current DIMPs are being uploaded within</p>			

60 days of completion. The early DIMP reports that were submitted to Chris McLaren have not been updated and will be uploaded by DE PSC into the database during 1st Qtr 2015.

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

C14. Yes. Both Gas Transmission operators have corrected their information into NPMS.

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| 15 | Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199 (I1-3)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
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Evaluator Notes:

C15. Yes, The D&A long Form is used every 5 years for both LDC operators as part of a HQ inspection. The D&A short Form (Form13) is used yearly for at least one Unit for both LDCs.

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|-----------|--|---|---|
| 16 | Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 192 Part N (I4-7)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
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Evaluator Notes:

C16. Yes, in that OQ Protocol 9 inspections are part of almost every Standard Inspection. Full OQ re-inspections are being scheduled.

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|-----------|--|---|---|
| 17 | Is state verifying operator's gas transmission integrity management programs (IMP) are up to date? This should include a previous review of IMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart 0 (I8-12)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

C17. Yes, the transmission operators are being spot checked to an IMP protocol yearly. Full TIMP re-inspections will be conducted before year-end 2014.

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| 18 | Is state verifying operator's gas distribution integrity management Programs (DIMP)? This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart P
DIMP ? First round of program inspections should be complete by December 2014

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

C18. Yes, DPSC is aware of the 2014 deadline, and has completed DIMPs of the LDCs and most of the MMOs. All DIMP's are scheduled to be performed by 12/31/2014. DIMP monitoring of the LDCs are scheduled when notified of revisions.

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| 19 | Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 192.616 (I13-16)
PAPEI Effectiveness Inspections should be complete by December 2013

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

C19. NI 1 point, DPSC is aware of the 2013 deadline, and has completed PAPEIs of the LDCs and many of the MMOs & LPGOs. The 12/31/13 deadline has been missed as PAPEIs could not be found for 11 MMOs & LPGOs.

20	Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public). (G20-21) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: C20. Yes, for Public-Dockets & Commission Mtg Agendas; for Operators- inspections, training, emails, phone, letters, USPCD mtgs, plus Dockets & Commission agendas.			
21	Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (B6) Yes = 1 No = 0 Needs Improvement = .5	1	NA
Evaluator Notes: C21. NA. no SRC since before 2010.			
22	Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? (G13) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: C22. Yes. The LDCs were contacted and both provided meaningful information.			
23	Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA? (H4) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: C23. Yes. DPSC actively participated in NAPSRS and PHMSA survey/information requests.			
24	If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate. Info Only = No Points	Info Only	Info Only
Evaluator Notes: C24. DE has not issued any waivers.			
25	General Comments: Info Only = No Points	Info OnlyInfo Only	
Evaluator Notes: C25 The DPSC has set an aggressive agenda to inspect every Inspection Unit in some fashion on an annual basis. An item of success is that DPSC has been authorized to hire a 2nd inspector. Interviews for this position have been scheduled for October, 2014. This should help address the need to conduct GIMP, DIMP, OQ, and PAPEI inspections on a regular basis along with continuing to conduct comprehensive Standard Inspections. Also, there will be continued emphasis on Incident Investigations and Construction Inspections.			

Total points scored for this section: 42
Total possible points for this section: 45

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

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|----------|---|---|---|
| 1 | Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1 (B12-14, B16, B1h)
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Procedures to notify an operator (company officer) when a noncompliance is identified | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

D1. Yes. DE PSC Inspection Procedures Manual- pg 6.

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|----------|--|---|---|
| 2 | Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1 (B11,B18,B19)
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Were compliance actions sent to company officer or manager/board member if municipal/government system? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Were probable violations documented? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Were probable violations resolved? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Was the progress of probable violations routinely reviewed? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

D2. Yes. DE PSC Inspection Procedures Manual- pg 6 & 7-. The 6 compliance actions appear to be following the procedures.

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|----------|--|---|---|
| 3 | Did the state issue compliance actions for all probable violations discovered? (B15)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

D3. Yes. All PV were handled in a timely manner. The fines have been received.

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|----------|--|---|---|
| 4 | Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary. (B17, B20)
Yes = 2 No = 0 | 2 | 2 |
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Evaluator Notes:

D4. Yes, See DE State Administrative Code Title 26 Public Services- 8000 Gas Regulations, Para# 6.

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|----------|---|---|---|
| 5 | Is the program manager familiar with state process for imposing civil penalties? Were civil penalties considered for repeat violations (with severity consideration) or violations resulting in incidents/accidents? (describe any actions taken) (B27)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

D5. Yes, the Program Manager is familiar with the Administrative Code, and is demonstrating the abilities to get Civil Penalties assessed when circumstances require them. He is well along in developing a database of aggravating and mitigating circumstances.

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

Evaluator Notes:

D6. Yes. DE issued and received \$14,100 for violations found in 2013. Starting in 2013 most violations received de-minimus fines of \$200-\$3000. The database of aggravating and mitigating circumstances is an integral part of the informal fining policy.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

D7. State Regulations include procedures for handling probable violations and civil penalties. The DE PSC has demonstrated its use of the NOPV to get operators to correct the more minor violations. DE PSC also recognizes the ability to assess civil penalties as appropriate and how to convince operators to perform as required, given the possibility of civil penalties. Most operators, especially the LDC's, have demonstrated their awareness of the possibility of civil penalties by being very proactive in meeting all requirements of the Regulations. DE PSC responded to PHMSA's pointed suggestion and started issuing de-minimus civil penalties for most violations in 2013.

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

PART E - Incident Investigations

Points(MAX) Score

- 1** Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 (A2,D1-3) 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:

E1. Yes, DE PSC is aware of the NTSB-PHMSA MOU and has an active partnership with PHMSA-ER.

- 2** If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 (D4) 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

E2. NA. There has been no reportable incident since 2010. DE PSC fully expects to inspect on-site in the event of an incident.

- 3** Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? (D5) 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:

E3. NA. DE PSC expects to fully document an incident.

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

Evaluator Notes:

E4. NA. DE PSC is fully prepared to initiate compliance action for violations found during any incident investigation.

- 5** Did the state assist region office by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 (D7) 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

E5. NA. DE PSC is fully prepared to coordinate with the ER.

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

Evaluator Notes:

E6. NA. DE PSC has shared lessons learned in the past at ER NAPS Region Mtgs, is fully prepared to do so again.

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

Evaluator Notes:

E7. DE PSC has been in the fortunate position to have avoided any Incidents since 2010. However, they are familiar with all appropriate protocol and prepared to respond as required should an Incident occur in the future.

Total points scored for this section: 2
Total possible points for this section: 2

PART F - Damage Prevention

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 1 | Has the state reviewed directional drilling/boring procedures of each pipeline operator or its contractor to determine if they include actions to protect their facilities from the dangers posed by drilling and other trench less technologies? NTSB (E1)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

F1. Yes. PSC reviews Directional Procedures on an annual basis as part of the O&M review of both gas operators.

- | | | | |
|---|--|---|---|
| 2 | Did the state inspector check to assure the pipeline operator is following its written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system? (E2)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

F2. Yes. DE PSC reviews Damage Prevention Procedures on an annual basis as part of the O&M review of both gas operators. Gas operators are members of the One Call system.

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

Evaluator Notes:

F3. Yes. DE PSC staff actively participates in Damage Prevention activities and attends meetings. PSC also prepares targeted Radio and web page announcements.

- | | | | |
|---|--|---|---|
| 4 | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests? (This can include DIRT and other data shared and reviewed by the pipeline safety program) (E4,G5)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

F4. Yes. In DE, USPCD is a central clearing house for collection of damage data and locate requests. USPCD provides data to PSC on a monthly basis. PSC reviews and analyzes it for possible trends.

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

Evaluator Notes:

F5. The Inspector annually questions the two LDC's with regards to Damage Prevention. In addition, the Program Manager has regular contact with both LDC's and other stakeholders through attendance at monthly USPCD Meetings. DE PSC has used the services of a marketing firm to target appropriate audiences in their One-Call radio ads, and, in 2014, initiated internet ads. DE enjoys a very low line hit per 100 locate ratio, and DPSC credits the ads to be helpful in this effort.

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 = No Points Name of Operator Inspected: Chesapeake Utilities Name of State Inspector(s) Observed: Bob Schaeffgen Location of Inspection: 622 Courtly Rd, Townsend, DE Date of Inspection: 10/9/2014 Name of PHMSA Representative: Patrick Gaume	Info Only	Info Only
Evaluator Notes: G1. Chesapeake Utilities, opid 2309, Bob Schaeffgen, one construction site in Townsend, DE On 622 Courtly Rd. 10/9/2014, Patrick Gaume.			
2	Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (F2) Yes = 1 No = 0	1	1
Evaluator Notes: G2. Yes, two supervisors and a work crew were onsite.			
3	Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) (F3) Yes = 2 No = 0 Needs Improvement = 1	2	2
Evaluator Notes: G3. Yes, It is a DPSC Plastic Pipeline Construction Inspection form. It was properly filled out.			
4	Did the inspector thoroughly document results of the inspection? (F4) Yes = 2 No = 0 Needs Improvement = 1	2	2
Evaluator Notes: G4. Yes. It was properly filled out.			
5	Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps,pyrometer,soap spray,CGI,etc.) (F5) Yes = 1 No = 0	1	1
Evaluator Notes: G5. Yes. The onsite equipment review showed that the anti-static fluid and grounded burlap were absent from the work truck.			
6	Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) (F7) Yes = 2 No = 0 Needs Improvement = 1 a. Procedures b. Records c. Field Activities d. Other (please comment)	2	2
		<input checked="" type="checkbox"/>	
		<input checked="" type="checkbox"/>	
		<input checked="" type="checkbox"/>	
		<input type="checkbox"/>	
Evaluator Notes: G6. Yes, Reviewed the One Call ticket, work order, and observed work to install gas services to new townhouses.			

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

G7. Yes. Bob showed full knowledge of the regulations and of the work being performed.

8	Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) (F9) Yes = 1 No = 0	1	1
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Evaluator Notes:

G8. Yes. The exit interview included the discovery of the lack of equipment for the proper tie-in of meter risers to active service lines. It was obvious that the truck was inadequately rigged out for the scheduled work. That actual work was postponed wo the proper equipment to arrive.

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

G9. Yes. The exit interview included the discovery of the lack of equipment for the proper tie-in of meter risers to active service lines. It was obvious that the truck was inadequately rigged out for the scheduled work. That actual work was postponed wo the proper equipment to arrive.

10	General Comments: What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) Other. Info Only = No Points	Info Only	Info Only
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- | | | |
|----|-----------------------------------|-------------------------------------|
| 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 checked="" type="checkbox"/> |
| h. | Cast-iron Replacement | <input type="checkbox"/> |
| i. | Damage Prevention | <input checked="" type="checkbox"/> |
| j. | Deactivation | <input type="checkbox"/> |
| k. | Emergency Procedures | <input type="checkbox"/> |
| l. | Inspection of Right-of-Way | <input checked="" type="checkbox"/> |
| m. | Line Markers | <input checked="" type="checkbox"/> |
| n. | Liaison with Public Officials | <input type="checkbox"/> |
| o. | Leak Surveys | <input type="checkbox"/> |
| p. | MOP | <input type="checkbox"/> |
| q. | MAOP | <input checked="" 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 checked="" 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 checked="" type="checkbox"/> |
| A. | Repairs | <input type="checkbox"/> |
| B. | Signs | <input type="checkbox"/> |

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

Evaluator Notes:

G10. Ditches, ditch depth, work safety, PPE, pressure test of a riser assembly to 100 psi, work order, one call ticket, PE pipe markings, locate marks, equipment inventory, verifying that the tie in was to a live service, judging the adequacy of the spoil soil, fusion equipment was on site, fusion of a cap to the meter run assembly for the pressure test, fusion heater temperature, operator's pipe fusion procedure.

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

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

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- | | | | |
|----------|---|---|----|
| 1 | Did the state use the current federal inspection form(s)? (C1)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

H1-8. NA. Not an Interstate Agent program

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

Evaluator Notes:

H1-8. NA. Not an Interstate Agent program

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

Evaluator Notes:

H1-8. NA. Not an Interstate Agent program

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|----------|--|---|----|
| 4 | Were probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (C4)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

H1-8. NA. Not an Interstate Agent program

- | | | | |
|----------|--|---|----|
| 5 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (C5)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

H1-8. NA. Not an Interstate Agent program

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

Evaluator Notes:

H1-8. NA. Not an Interstate Agent program

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

H1-8. NA. Not an Interstate Agent program

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

H1-8. NA. Not an Interstate Agent program

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

PART I - 60106 Agreement State (If Applicable)**Points(MAX) Score**

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|----------|--|---|----|
| 1 | Did the state use the current federal inspection form(s)? (B21)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

I1-7. NA. Not a 60106 program.

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

I1-7. NA. Not a 60106 program.

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| 3 | Were any probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (B23)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

I1-7. NA. Not a 60106 program.

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

I1-7. NA. Not a 60106 program.

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

Evaluator Notes:

I1-7. NA. Not a 60106 program.

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

Evaluator Notes:

I1-7. NA. Not a 60106 program.

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

I1-7. NA. Not a 60106 program.

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