



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

1200 New Jersey Avenue SE
Washington DC 20590

2017 Hazardous Liquid State Program Evaluation

for

MARYLAND PUBLIC SERVICE COMMISSION

Document Legend

PART:

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



2017 Hazardous Liquid State Program Evaluation -- CY 2017
Hazardous Liquid

State Agency: Maryland
Agency Status:
Date of Visit: 06/25/2018 - 07/13/2018
Agency Representative: John J. Clementson, Assistant Chief Engineer
PHMSA Representative: Glynn Blanton, US DOT/PHMSA State Evaluator
Commission Chairman to whom follow up letter is to be sent:
Name/Title: Jason M. Stanek, Chairman
Agency: Maryland Public Service Commission
Address: 6 St. Paul Street, 19th Floor
City/State/Zip: Baltimore, MD 21202-6806

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

INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2017 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

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

Scoring Summary

PARTS	Possible Points	Points Scored
A Progress Report and Program Documentation Review	10	10
B Program Inspection Procedures	13	13
C Program Performance	42	42
D Compliance Activities	15	15
E Accident Investigations	11	11
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	111	111
State Rating		100.0

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:

A review of Attachment 1 found information correct.

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

Evaluator Notes:

No issues with Attachment 2. It was noted the number of inspection days were higher 29 than in previous year 23.5.

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

Attachment 3 is correct and only one operator in the state under MD PSC jurisdictional authority. No issues.

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

One incident occurred on the one hazardous liquid facility but no personal injuries or fatality.

- | | | | |
|---|--|---|---|
| 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, Stats on Compliance Actions and office files confirm the information listed was correct. No areas of concern with this information.

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

Evaluator Notes:

Yes, files were located in John Clementson, Program Manager's office and found to be well-organized and accessible.

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

Evaluator Notes:

Yes, verification of TQ records indicate Carlos Acosta, Negussie Tesfaye and John Clementson have completed all required courses for Liquid Inspector requirements.

- | | | | |
|---|---|---|---|
| 8 | Verification of Part 195,198,199 Rules and Amendments - Progress Report Attachment 8
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

MD PSC has automatic adoption of federal rules and regulations. MD PSC civil penalty amounts are the same as PHMSA. Civil penalties for damage prevention is listed in Maryland Public Utilities Articles and Related Laws, Title 12 Underground Facilities: 12-135. No issues.



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

Evaluator Notes:

Yes, information on planned and past performance was described and provided on attachment 10. No issues with the information.

10 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: 10
Total possible points for this section: 10



PART B - Program Inspection Procedures

Points(MAX) Score

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

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, this information is listed in MD PSC Pipeline Safety Program Procedure Plan for Inspection, Enforcement and Incident (Procedures) dated May 1, 2018. Inspection and post-inspection are listed under V. Conducting Inspections, Section E, Record Inspection, page 10.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, IMP inspection procedures for pre-inspection, inspection and post-inspection are listed under V. Conducting Inspections, Section O, Distribution Integrity Management Programs, page 17 of MD PSC Procedures.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, OQ inspection procedures for pre-inspection, inspection and post-inspection are listed under V. Conducting Inspections, H. Training and Operator Qualification (OQ) Inspections, page 16.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, Damage Prevention procedures for pre-inspection, inspection and post-inspection are listed under V. Conducting Inspections, L. Damage Prevention Activities, page 16.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, operator training is listed in the written Procedures under V. Conducting Inspections, Section K. Operator Training on page 16.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, Construction inspection procedures for pre-inspection, inspection and post-inspection are listed under V. Conducting Inspections, Section G. Design, Testing and Construction Inspection, page 13.

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

Evaluator Notes:

Inspection Priorities are listed under IV. Inspection Planning, Section B. Inspection Priority, pages 8-9 of the written procedures. Each of the elements above were listed and used in establishing inspections. Additionally, a review of office records and files indicate the one inspections unit is correctly identified.

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

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

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):
 29.00
 B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 220 X 0.34 = 74.80
 Ratio: A / B
 29.00 / 74.80 = 0.39
 If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
 Points = 5

Evaluator Notes:

- A. Total Inspection Person Days (Attachment 2)= 29
 B. Total Inspection Person Days Charged to the program(220*Number of Inspection person years(Attachment 7)=74.8
 Formula:- Ratio = A/B = 29/74.8 = 0.39
 Rule:- (If Ratio >=.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 IMP Training before conducting inspection as lead? Yes No Needs Improvement
 - c. Root Cause Training by at least one inspector/prgram 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 review of TQ records found John Clementson, Carlos Acosta and Tesfaye Negussie have completed training and meet the Liquid Standard Inspector Training Requirements. John Clementson & Carlos Acosta have completed the Root Cause training. Two inspectors attended the Appalachian Underground Corrosion Short Course in West Virginia during CY2017.

- 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, John Clementson has completed all training courses for Gas & Hazardous Liquid Inspector training requirements and has over twenty-one years experience in pipeline safety inspection work.

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

Evaluator Notes:

Yes, Chairman Hughes' response letter to Zach Barrett was received on September 13, 2018 and within the required 60 day time requirement.

- 5** Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5 1 1
 Yes = 1 No = 0

Evaluator Notes:

Yes, the last seminar held was in CY2016 at Linthicum Heights, MD. The three days seminar was attended by operators from distribution, master meter and LPG systems. Total number of attendees from LDC was 88 and Master Meter 25.



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

Evaluator Notes:

A review of inspection reports found the operator was reviewed on the time intervals established in MD PSC procedures. No areas of concern.

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

Evaluator Notes:

Yes, they are using the Federal Inspection and MD PSC forms.

8	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 195.402(c)(5)? Yes = 1 No = 0	1	1
----------	--	---	---

Evaluator Notes:

Yes, one incident occurred on 02/21/17 on Petroleum Fuel & Terminal facility. The accident was investigated by MD PSC staff. It was determined the cause of the leak was due to a corroded section of the bottom lap weld on sheet #17. The operator did response in accordance to section 195.402 (c)(5) correctly.

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

Evaluator Notes:

Yes, the program manager reviews all operator's annual reports and records data into a spreadsheet that is used in rank risking of operators to be inspected.

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

Evaluator Notes:

Yes, MD PSC send out a Specific Information Request (SIR) the second quarter of each year to the three intrastate transmission operators asking for verification of data submitted into the NPMS. A review of the letters confirm this action was completed in CY2017.

11	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
-----------	---	---	---

Evaluator Notes:

Yes, MD PSC Form EN #10, Drug & Alcohol is used to verify the operator is conducting drug and alcohol tests. The form includes information on verifying positive tests are responded to in accordance to 49 CFR 199.

12	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 195 Part G Yes = 2 No = 0 Needs Improvement = 1	2	2
-----------	---	---	---

Evaluator Notes:

Yes, they use the federal program IA to verify this information.



- | | | | |
|-----------|---|---|---|
| 13 | Is state verifying operator's hazardous liquid integrity management (L IMP) Programs are up to date? This should include a previous review of LIMP 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-10)). 49 CFR 195.452 Appendix C
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

Yes, MD PSC uses the Federal Program IA to verify this information. Additionally, the Specific Information Request (SIR) is used to contact the largest operators requesting updates to their plans.

- | | | | |
|-----------|---|---|---|
| 14 | 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 195.440
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

Yes, MD PSC uses the Federal Program IA to verify this information. Additionally, the Specific Information Request (SIR) and the inspection is used to evaluate the effectiveness of the operator's public awareness program.

- | | | | |
|-----------|--|---|---|
| 15 | Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public).
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes, MD PSC staff members meet with operators on a quarterly schedule at the Gas Operator Advisory Committee meetings. They discuss issues pertaining to damage prevention or enforcement action for non-compliance. The last meeting in CY2017 was December 21, 2017.

- | | | | |
|-----------|---|---|----|
| 16 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|---|---|----|

Evaluator Notes:

N/A No safety related condition reports occurred in CY2017.

- | | | | |
|-----------|--|---|---|
| 17 | Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes, John Clementson responded to thirteen NAPSRS monkey surveys in CY 2017.

- | | | | |
|-----------|--|---|---|
| 18 | 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.
Needs Improvement = .5 No = 0 Yes = 1 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

No waivers/special permits issued in CY2017. Currently, there are three remaining waivers that are active.

- | | | | |
|-----------|---|---|---|
| 19 | Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated?
Needs Improvement = .5 No = 0 Yes = 1 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

Yes, John Clementson, Program Manager, attended the NAPSRS Board of Directors Meeting in Columbus, Ohio.



- 20** Discussion on State Program Performance Metrics found on Stakeholder Communication site ? <http://primis.phmsa.dot.gov/comm/states.htm> 2 2
Needs Improvement = 1 No = 0 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:

MD PSC continues to track leaks and causes for both services and mains. The information is annually recorded. CY2017 data results show leakage on mains were trending upward in the areas of corrosion, natural force damage and excavation damage. Additionally, leakage on services was contributing to natural force and excavation damages. Overall, leakage on mains are trending upward versus service lines trending downward. MD PSC will continue to monitoring these trends during their review of the operator's records during the field inspection.

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

Evaluator Notes:

Reviewed and discussion with John Clementson the current data entered into the SIDCT program. Information entered reflects the time cycle for the type of inspection and operator they inspect in accordance to Appendix D of their procedures. A few minor changes were made to the SIDCT program this year due to the lost of three master meter operators. These changes will have no effect to the results of the number of days to be inspected. John anticipate the current numbers entered in the SIDCT will not change in CY2018.

- 22** 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:

Reviewed this information with John Clementson and it was determined this item does not apply to the one liquid operator under MD PSC jurisdiction.

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

Evaluator Notes:

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

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



PART D - Compliance Activities

Points(MAX) Score

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

Evaluator Notes:

- a. Yes, this is listed in Section V. Conducting Inspections, Subsection P. Notice of Probable Violations (NOPV) and/or Warning Letters of MD PSC Inspection, Enforcement and Incident Investigation Procedures.
- b. Yes, this is described in Section R. Notice of Probable Violation Tracking.
- c. Yes, this information is described in Section S. Closure of a Probable Violation

- | | | | |
|----------|--|---------------------------|---|
| 2 | Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Were compliance actions sent to company officer or manager/board director if municipal/government system? | Yes <input type="radio"/> | No <input checked="" type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Document probable violations | Yes <input type="radio"/> | No <input checked="" type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Resolve probable violations | Yes <input type="radio"/> | No <input checked="" type="radio"/> Needs Improvement <input type="radio"/> |
| d. | Routinely review progress of probable violations | Yes <input type="radio"/> | No <input checked="" 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 type="radio"/> | No <input checked="" 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, reviewed compliance action letters sent to operators and found them addressed to company officer or manager of systems.
- b. Yes, program manager maintains a spreadsheet that he reviews monthly on probable violations.
- c. Yes, probable violations are being resolve in a timely manner. In this regard, most are cleared within 30 days of receipt of the compliance letter to the operator.
- d. Yes, routinely reviewed monthly by program manager.
- e. Inspection reports and letters pertaining to areas of concern are completed by the inspector(s) one week after the inspection
- (s). The documents are reviewed by the program manager and mailed to the officer of the company within ten days.
- f. The operator receives within 45 days after the inspection the letter of concern or probable violation from the MD PSC.

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

Evaluator Notes:

Yes, one compliance action was taken against an operator in CY2017. The operator was cited for failure to inspect the in-service breakout tanks and have a written qualification program.

- | | | | |
|----------|---|---|---|
| 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, MD PSC has written procedures to allow the operator due process including a request for a show cause hearing. In the compliance letter sent to the liquid operator there is four options available:

1. Agree to the proposed compliance order;
2. Request the execution of a consent order;
3. Object to the proposed compliance order and submit written explanation, information or other material to the allegations in the notice;
4. Request a hearing under 3-102(c), Public Utility Companies Article.



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

Evaluator Notes:

Yes, Program Manager is familiar with imposing civil penalties and has levied fines on operators in the past.

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

Evaluator Notes:

Yes, in CY2016 two civil penalties were assessed against Baltimore Gas & Electric in the amount of \$30,000, one penalty against Glen Manor Apts. for \$500 and one penalty against Deep Creek Mountain Utilities for \$500. The penalty amount for Glen Manor Apts. was paid on 3/31/17.

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

Evaluator Notes:

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

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



PART E - Accident 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, procedures pertaining to incident/accident investigation are listed in MD PSC written procedures, Section VI. Investigation of Incidents, page 20.

- 2 Does state have adequate mechanism to receive and respond to operator reports of accidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 2 2
Yes = 2 No = 0 Needs Improvement = 1

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

Evaluator Notes:

Yes, the state has a mechanism to receive calls from operators and respond to all incidents after hours as described in the written procedures document section VI. Yes, MD PSC maintains records of all incidents/accidents notifications received.

a. & b. Yes, Program Manager and Engineers are familiar with the MOU's between NTSB and PHMSA. This item is reference in their written procedures, section D. Incident Investigation Process and Scope.

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

Evaluator Notes:

Yes, if an onsite investigation was not made they have in their written procedures under Section VI, a statement, "a memo to the Incident File will be created documenting the reason(s) that an on-site investigation was not conducted."

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

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

Evaluator Notes:

Yes, the incident that occurred on 02/21/17 at Petroleum Fuel & Terminal was investigated by MD PSC staff. A report and letter of probable violation was cited against the operator requiring action to correct items of non-compliance.

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

Evaluator Notes:

Yes, a letter of probable violation was issued against Petroleum Fuel & Terminal.

- 6 Did the state assist Region Office or Accident Investigation Division (AID) by taking appropriate follow-up actions related to the operator accident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes.



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

Evaluator Notes:

Yes, at NAPSRS Region meetings.

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: 11
Total possible points for this section: 11



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

Evaluator Notes:

Yes, this item is reviewed with operator's who have directional drilling procedures in-house by staff members. This question is also listed on the Hazardous Liquids Program Comprehensive O&M Review Evaluation form, number EN48.

- | | | | |
|----------|--|---|---|
| 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, this item and question is listed on the MD PSC construction activity form EN33-34 and comprehensive form EN17. The inspector is required to check and verify the locate request ticket number on all construction projects.

- | | | | |
|----------|--|---|---|
| 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, a Specific Information Request (SIR) was sent to each of its operators requesting information on how the company's damage prevention program complied with CGA Best Practices. The results were reviewed and found the companies are utilizing the CGA Damage Prevention Best Practices. Going forward, MD PSC has added this question to their Hazardous Liquids Program O&M Review form EN48 and will be reviewing during their inspections.

- | | | | |
|----------|--|---|---|
| 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, program manager collects data on the number of damages reported by the operator on the Specific Information Request form. In combination with the SIR and annual report submitted by the operator, the program manager determines trends on the damages per 1,000 locate request. The average damages per 1,000 locate request is 1.13 for CY2017.

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

Evaluator Notes:

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

Total points scored for this section: 8
Total possible points for this section: 8



PART G - Field Inspections

Points(MAX) Score

1 Operator, Inspector, Location, Date and PHMSA Representative Info OnlyInfo Only
 Info Only = No Points

Name of Operator Inspected:
 Petroleum Fuel & Terminal
 Name of State Inspector(s) Observed:
 Negussie Tesfaye, Pipeline Safety Engineer
 Location of Inspection:
 Baltimore, MD
 Date of Inspection:
 July 12, 2018
 Name of PHMSA Representative:
 Glynn Blanton, State Program Evaluator

Evaluator Notes:
 This was a OQ inspection conducted at the North Terminal location in Baltimore, MD. A field review of tank number two was conducted with readings taken to determine the remaining product in the tank. Observed Don McComas taking readings and performing functions relative to the Petroleum Fuel Company's operations.

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, Bill Blevins, Petroleum Fuel & Terminal Company, Compliance Officer was notified 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, Negussie Tesfaye used MD PSC form 32-9 form.

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

Evaluator Notes:
 Yes, Negussie Tesfaye was very thorough in reviewing the OQ records and written procedures provided by the operator.

5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps, valve keys, half cells, etc) 1 1
 Yes = 1 No = 0

Evaluator Notes:
 Yes, Negussie Tesfaye asked and verified the operator's equipment prior to observing the individual perform a covered task.

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, OQ records, testing documents, written procedures and training manual were reviewed by Negussie Tesfaye.



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

Evaluator Notes:

Yes, Negussie Tesfaye has completed all courses necessary to meet the Hazardous Liquid inspector requirements.

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

Evaluator Notes:

Yes, Negussie Tesfaye reviewed his findings on the OQ inspection with Bill Blevins, Petroleum Fuel & Terminal Company, Compliance Officer.

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

Evaluator Notes:

No violations or areas of concern were found.

10 General Comments: 1) What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) 2) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 3) Other Info Only Info Only
 Info Only = No Points

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



- D. Valve Maintenance
- E. Vault Maintenance
- F. Welding
- G. OQ - Operator Qualification
- H. Compliance Follow-up
- I. Atmospheric Corrosion
- J. Other

Evaluator Notes:

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



PART H - Interstate Agent State (if applicable)

Points(MAX) Score

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

Evaluator Notes:

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

Evaluator Notes:

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

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

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

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

Evaluator Notes:

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

Evaluator Notes:

3 Were any probable violations identified by state referred to PHMSA for compliance? 1 NA
(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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

