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**PUBLIC SERVICE COMMISSION
ENGINEERING DIVISION**

February 11, 2015

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Mr. Adrian Chapman
President and Chief Operating Officer
Washington Gas
6801 Industrial Road
Springfield, VA 22151

*closed-out on
6-23-15*



WARNING LETTER

Dear Mr. Chapman:

This notice concerns the Washington Gas (WG) field construction inspection conducted by Mr. R. K. Amroliwala of the Maryland Public Service Commission Engineering Division (PSCED) on January 23, 2015, at Cambria Drive in Frederick, Maryland. Washington Gas contractor, Northern Pipeline (NPL) was installing a two inch plastic gas main for new town homes. During this inspection WG Supervisor Mr. Steven Campbell, and NPL General Foreman Mr. Danny Wahl, were also present. During this inspection several procedures were observed which did not comply with applicable State and Federal regulations. The details are described below:

CODE AND SECTION

49 CFR¹ 192.13(c) – General

DESCRIPTION

“Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.”

49 CFR 192.751 – Prevention of accidental ignition.

“Each operator shall take steps to minimize the danger of accidental ignition of gas in any structure or area where the presence of gas constitutes a hazard of fire or explosion, including the following: (a) When a hazardous amount of gas is being vented into open air, each potential source of ignition must be removed from the area and a fire extinguisher must be provided. (b) Gas or electric welding or cutting may not be performed on pipe or on pipe components that contain a combustible mixture

1. Code of Federal Regulations

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Website: www.psc.state.md.us

of gas and air in the area of work. (c) Post warning signs, where appropriate."

Washington Gas Operations and Maintenance Manual procedure – section 5378 (page 1) for Prevention of Accidental Ignition states that:

"Where the presence of natural gas constitutes a hazard of fire or explosion, such as during leak repair, squeeze-off operations, purging or making connections, remove sources of ignition to avoid accidental ignition and safeguard lives. Wind direction, presence of overhangs and openings into buildings shall be considered when removing sources of ignition.

Use appropriate barricades and signs to keep the public at a safe distance."

NPL Forman Mr. Ronald Wills was purging an underground two inch plastic gas main approximately 180 feet by releasing squeeze-off tool. At the other end combustible gas mixture was venting into the atmosphere. During this process it was observed that no backup person manning a fire extinguisher was near the purging area. Also, no warning signs were provided.

To ensure adequate safety, your contractor should have a kept back-up person to man the fire extinguisher with the pin-pulled and with hands in the ready position near the purging process in order to prevent accidental ignition and also provided warning signs.

Washington Gas failed to follow the above Federal regulations concerning the prevention of accidental ignition.

Recommended Actions

Washington Gas (WG) shall complete the following by March 31, 2015, and shall submit written evidence of its actions to this agency in order to comply with pipeline safety requirements. If these conditions are not met, formal action may be implemented.

- (1) Washington Gas shall train Mr. Ronald Wills concerning prevention of accidental ignition requirements. Also, send us the evidence and details of the topics discussed during the training.
- (2) Washington Gas shall address in its prevention of accidental ignition procedure that, where presence of natural gas constitutes of fire or explosion, have a backup person manning a fire extinguisher pin pulled and with hands on the extinguisher in a ready position, and provide warning signs. Also, send us a copy of the revised procedure for our review.
- (3) Washington Gas shall conduct more frequent and thorough inspections on the above contractor employees to make sure that they understand and follow the pipeline safety requirement procedures.

Failure to follow the above regulations in the future shall result a Notice of Probable Violation (NOPV). A NOPV letter may contain a civil penalty as outlined in COMAR 20.57.02.05 and Article 78, Section 102A of the Public Service Commission Law.

Sincerely,


John Clementson
Assistant Chief Engineer



R. K. Amroliwala -PSC- <[REDACTED]>

FW: Warning Letter Response

1 message

Moses, Glenn <[REDACTED]>
To: "R. K. Amroliwala -PSC-" <[REDACTED]>

Wed, Jun 17, 2015 at 1:25 PM

Good Afternoon R. K.,

Attached and below are responses to WL dated 2/11/15 that David Spangler sent to John.

Thanks

Paul Moses
Supervisor
DOT Pipeline Safety
Washington Gas
Office 703-750-4496
Cell 571-455-6451

*Reviewed on
6/23/15 -
Flores-out
[Signature]
6/23/15*

From: Spangler, David W
Sent: Tuesday, March 31, 2015 9:47 AM
To: [REDACTED]
Subject: Warning Letter Response

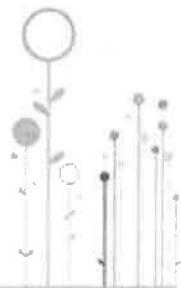
John,

Hope all is well. Attached please find WG' response to your most recent Warning Letter. If you would like to discuss please let me know.

Warmest Regards,

David Spangler
Manager, DOT Pipeline
Safety Compliance
Washington Gas
6801 Industrial Rd.
Springfield, VA 22151


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2 attachments

-  **MD WL Response 03312015.pdf**
60K
-  **2011 Prevention of Accidental Ignition CTS R-1.pdf**
42K



Washington
Gas

6801 Industrial Rd
Springfield, VA 22151

March 31, 2015

Mr. John Clementson
Assistant Chief Engineer
Maryland Public Service Commission
Engineering Division
William Donald Schaefer Tower
6 St. Paul Street
Baltimore, Maryland 21202-6806

Mr. Clementson,

Washington Gas would like to submit the following information in response to the Warning Letter dated 2/11/15.

With respect to Recommended Action #1, Mr. Ronald Wills was qualified under Washington Gas Operator Qualification #2011, Prevention of Accidental Ignition on 11/3/2014. A copy of the materials covered in this most recent requalification is attached.

Regarding Recommended Action # 2, 49 CFR 192.751 details minimum safety requirements that each operator needs to take to minimize the danger of accidental ignition of gas in any structure or area where the presence of gas constitutes a hazard of fire or explosion. This also includes the posting of warning signs, where appropriate. Washington Gas' Operation and Maintenance Manual Section 5378, Prevention of Accidental Ignition, includes the minimal requirements listed in 192.571 and additional procedures to further address and minimize the risk of accidental ignition. During the purging activities described in this Warning Letter, there were no potential ignition sources present in the area of the gas release and a fire extinguisher was present at the purge point. The nearest structure was approximately 100 feet from the purge point and gas was venting freely into the atmosphere with no natural or man-made obstructions. With the above listed safe zone of approximately 100 feet from the nearest structure and the personnel working inside, the presence of signage or barricades was not deemed appropriate. Further, neither 192.751 or our Operation and Maintenance Manual require that a fire extinguisher be manned with pin pulled and hands on the fire extinguisher in the ready position for the events that were witnessed by your staff member during this visit.

In response to Recommended Action # 3, Washington Gas has initiated more frequent and more thorough inspections on the contractor employees indicated above. These

Performance Evaluation Form

| | |
|--|--------------|
| Evaluation Method: Performance on the Job Simulation | |
| Individual: | ID#: |
| Evaluator: | Date: |
| Covered Task Summary: 2011 Prevention of Accidental Ignition | |
| Qualified (check one): Yes__ No__ | |

| <u>Steps</u> | <u>Satisfactory</u> | <u>Unsatisfactory</u> | <u>Comments</u> |
|---|---------------------|-----------------------|-----------------|
| 1. Identify prevention of accidental ignition requirements | | | |
| 2. Recognize when a hazardous amount of gas is being or may be vented into open air | | | |
| 3. Recognize and react to Abnormal Operating Conditions | | | |
| 4. Recognize and react to Human Error or Equipment Performance Issues that may result in an AOC | | | |
| 5. Identify potential sources of ignition | | | |
| 6. Identify considerations to be taken before cutting or disconnecting gas lines (plastic or steel), blowing down, venting or purging facilities | | | |
| 7. Prevent accidental ignition | | | |
| <p>8. If required, complete documentation</p> <p>If an individual successfully completes the steps for the task they are being evaluated for they are qualified for the task. Failure to successfully complete this step <i>does not</i> impact the individual's qualification for the task.</p> <p>If an individual does not complete this step in accordance with the evaluation criteria they should receive coaching or instruction as appropriate.</p> | | | |



R. K. Amroliwala -PSC- [REDACTED]

Follow-up Responses for Warning Letter dated 11/12/2013- Issue # 9 - 49 CFR Part 192.605 (b) (8)

Moses, Glenn [REDACTED]
To: "R. K. Amroliwala" <[REDACTED]>

Thu, Jun 19, 2014 at 10:57 PM

Good Morning R. K.,

As the final follow-up response to the Warning Letter dated 11/12/13 for Issue # 9 – 49 CFR Part 192.605 (b) (8), attached are copies of the Field Alert No. F-2014-3 addressing WG O&M 4060 – Inspections which was circulated via email to all WG Operations and Construction supervisory personnel on June 13, 2014. Also attached are copies of the revised forms, APP 4060-1 & APP 4060-2 used to document these inspections.

Thank you,

Paul Moses

Supervisor

DOT Pipeline Safety

Washington Gas
[REDACTED]

From: Moses, Glenn**Sent:** Wednesday, June 11, 2014 12:01 PM**To:** 'R. K. Amroliwala'**Subject:** Follow-up Responses for Warning Letter dated 11/12/2013

Good Afternoon R. K.,

Attached is a full listing of the WG responses for the Warning Letter dated 11/12/2013 (Attachment # 1 above). Also attached are copies of the WG O&M procedures which were revised as part of this response. Please

contact me if you need any additional information. A copy of the Field Alert for O&M 4060 and revised 4060 APP forms will follow shortly as approval is pending for these items.

Thank you,

Paul Moses

Supervisor











DOT Pipeline Safety

Washington Gas

Office

Cell 5

10 attachments

-  **1040_r6_Responding to Emergencies_REVIEW.DOC**
82K
-  **1070_r4_Gas Related Investigations_REVIEW.DOC**
67K
-  **2090_r3_Publiceducation_REVIEW.DOC**
78K
-  **2160_r1_Material Specifications_REVIEW.DOC**
84K
-  **4211_r5_Press Testing Distr and HP Pipelines__REVIEW.DOC**
159K
-  **4212_r2_Pressure Testing TransPipelines_REVIEW.DOC**
72K
-  **5208_r2_System and Critical Valves_REVIEW.DOC**
81K
-  **Attachment # 1 MD WL 11-12-13.pdf**
457K
-  **APP 4060-1 APP 4060-2.pdf**
62K
-  **Field Alert. F-4060-3.pdf**
24K

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CHIEF ENGINEER

**PUBLIC SERVICE COMMISSION
ENGINEERING DIVISION**

November 12, 2013

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Mr. Adrian Chapman
President and Chief Operating Officer
Washington Gas
6801 Industrial Road
Springfield, VA 22151

*Closed-out on
6-9-2013.
with e-mail from
Mr. Paul Mary -*

WARNING LETTER

Dear Mr. Chapman:

In September and October of 2013, Mr. R. K. Amroliwala of the Maryland Public Service Commission Engineering Division conducted an inspection of the Washington Gas' (WG) Operations & Maintenance Manual (O&M) and Emergency Plan (EP) procedures associated with the operations, maintenance and emergency operations of WG' gas distribution system. Thank you for the courtesies extended to him by your staff. As a result of this inspection, several areas where WG is not in full compliance with State and Federal gas pipeline safety regulations were found to exist. These areas are described in detail below:

During the inspection following issues were identified:

49 CFR 192.13 What general requirements apply to pipeline regulated under this part?

(c) "Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that is required to establish under this part."

(1) 49 CFR Part 192.16(b): "Customer notification."

(b) "Each operator shall notify each customer once in writing of the following information:"

(1) "The operator does not maintain the customer's buried piping."

WG shall revise and modify its Procedure 2090 "Public Education". WG need to address the information about distribution of customer hand book to all customers annually, which indicates the information about customer buried pipeline maintenance.

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MDRS: 1-800-735-2258 (TTY/Voice)

Website: www.psc.state.md.us

(2) 49 CFR Part 192.105: "Design Formula for Steel Pipe".

No procedure was found. WG shall address the procedure for design of steel pipeline as specified in 192.105(a).

(3) 49 CFR Part 192.179: "Transmission Line Valves".

No procedure was found. WG shall address the procedure for transmission line valve spacing as per class location as specified in 192.179(a).

(4) 49 CFR Part 192.365: "Service Lines: Location of Valves."

(a) "Relation to regulator or meter. Each service line valve must be installed upstream of regulator or, if there is no regulator, upstream of the meter."

WG shall revise language in Procedure 5304 p4, "Service Shut-off Stopcocks & Regulators". WG shall revise and modify its procedure to address the language for service line valve installation on upstream of the regulator.

(5) 49 CFR Part 192.457 and 192.465: "External Corrosion Control."

No procedure was found for determining areas of active corrosion. WG shall address the procedure as per the requirements of 192.457(b) and 192.465(e).

(6) 49 CFR Part 192.505 & 192.507 "Strength test requirements for steel pipeline to operate at a hoop stress of 30 percent or more SMYS and to operate at a hoop stress less than 30 percent SMYS."

WG procedures 4212 & 4211 were found inadequate. WG shall address the language in the above procedures for 30 percent SMYS information.

(7) COMAR 20.57.02.03 B: "Reportable Incident Investigation."

B. A gas company or gas master meter operator shall preserve all equipment or piping which may have contributed to an incident until the investigation by the Division has been completed."

WG procedure 1070 p3 "Evidence Preservation & Laboratory Examination" does not properly address COMAR.

WG shall address the above COMAR requirements in the manual.

(8) COMAR 20.57.02.04(1)(a): "Reportable Incident Testing."

(1)(a) "The perimeter of the area involved in the incident shall be leak surveyed using a subsurface gas detection survey as prescribed in the GPTC Guide."

WG procedure 1040 p3 "Investigation of Leaks (Responding to Emergencies)" does not properly address COMAR.

WG shall address the above COMAR requirements in the manual.

49 CFR Part 192.605 Procedural manual for operations, maintenance, and emergencies.

(a) "General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response."

(9) 49 CFR Part 192.605(b)(8): "Periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation & maintenance and modifying the procedure when deficiencies are found."

WG procedure 4060 p1, "Inspections" found inadequate. WG shall revise and modify its procedure 4060 and audit form APP 4060-1 such that it is more specific in what is required by WG's supervisors. WG shall list all covered tasks & frequency of inspections in its procedure.

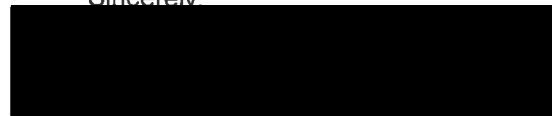
Corrective actions required:

- In order to comply with the Federal and State regulations, WG shall modify its O&M Plan to address the above regulations.
- WG shall send us a copy of the procedures for our review.

In order to comply with all of the code requirements listed above, WG shall complete all of the corrective actions required, by December 31, 2013, and shall submit the written documentation to verify its actions to this agency. If these conditions are not met, formal action may be implemented.

Failure to follow the above regulations in the future shall result a Notice of Probable Violation (NOPV). A NOPV letter may contain a Civil Penalty as outlined in COMAR 20.57.02.05 and Article 78, Section 102A of the Public Service Commission Law.

Sincerely,



John Clementson
Assistant Chief Engineer



R. K. Amroliwala PSC



Follow-up Responses - Warning Letter dated 11/12/13

Moses, Glenn <[REDACTED]>

Mon, Jun 9, 2014 at 7:28 AM

To: "R. K. Amroliwala" <[REDACTED]>

Good Morning R.K.,

The following are follow-up responses requested during our meeting on Thursday, 6/5/14 related to the your Warning Letter dated 11/12/13:

(4) 49 CFR Part 192.364 "Service Lines : Location of Valves"

(a) "Relation to regulator or meter. Each service line valve must be installed upstream of regulator or, if there is no regulator, upstream of the meter"

WG shall revise language in Procedure 5304 p 4, "Service Shut-off Stopcocks & Regulators." WG shall revise and modify its procedure to address the language for service line valve installation on upstream of the regulator.

Response: WG has revised the procedure identified above by adding the following language to O&M 5304 p 4:

"...For high pressure services, a regulator must be installed between the service shut off and the meter..."

A copy of WG O&M 5304 is included as an attachment to this email.

(5) 49 CFR Part 192.457 and 192.465: "External Corrosion Control."

No procedure was found for determining areas of active corrosion. WG shall address the procedure as per the requirements of 192.457 (b) and 192.465(e).

Response: WG contracted a consultant, Russell Corrosion, in August of 2013 to conduct a complete review of WG corrosion procedures and to make recommendations for updates, revisions and/or additions to current WG corrosion procedures to insure compliance with 192 Subpart I. At this time the field evaluations have been completed, Russell Corrosion is currently drafting their recommendations for changes to WG's Corrosion Control procedures. The anticipated inclusion of these recommendations in the WG Corrosion Control procedures is September 2014.

(9) 49 CFR Part 192.605(b)(8): "Periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation & maintenance and modifying the procedure when deficiencies are found."

WG procedure 4060 p 1, "Inspections" found inadequate. WG shall revise and modify its procedure 4060 and audit form APP4060-1 such that it is more specific in what is required by WG's supervisors. WG shall list all covered tasks & frequency of inspections in its procedures.

Response: WG has revised O&M 4060 p 1 with the addition of the following language:

"Management personnel conduct pipeline safety related field inspections to verify adequacy and effectiveness of operations and maintenance procedures. Deficiencies found observed during such inspections are recorded and notified for corrections."

Additionally, WG will send a Field Alert to Operations & Construction Management personnel identifying and restating the requirement to conduct the reviews required in O&M 4060 and will provide a copy of that alert and the revised form APP 4060-1 used to document these reviews to the MD PSC.

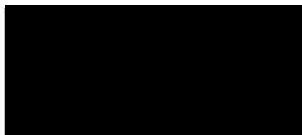
Thank you,

Paul Moses

Supervisor

DOT Pipeline Safety

Washington Gas

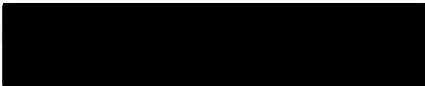


O M 5304.pdf

191K



R. K. Amroliwala PSC



Follow-up Responses for Warning Letter dated 11/12/2013

Moses, Glenn [Redacted]
To: "R. K. Amroliwala" [Redacted]

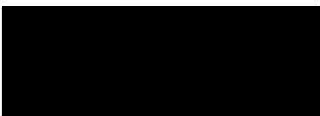
Wed, Jun 11, 2014 at 12:00 PM

Good Afternoon R. K.,

Attached is a full listing of the WG responses for the Warning Letter dated 11/12/2013 (Attachment # 1 above). Also attached are copies of the WG O&M procedures which were revised as part of this response. Please contact me if you need any additional information. A copy of the Field Alert for O&M 4060 and revised 4060 APP forms will follow shortly as approval is pending for these items.

Thank you,

Paul Moses
Supervisor
DOT Pipeline Safety
Washington Gas



8 attachments

- 1040_r6_Responding to Emergencies_REVIEW.DOC**
82K
- 1070_r4_Gas Related Investigations_REVIEW.DOC**
67K
- 2090_r3_Publiceducation_REVIEW.DOC**
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- 2160_r1_Material Specifications_REVIEW.DOC**
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- 4211_r5_Press Testing Distr and HP Pipelines__REVIEW.DOC**
159K
- 4212_r2_Pressure Testing TransPipelines_REVIEW.DOC**
72K

 **5208_r2_System and Critical Valves_REVIEW.DOC**
81K

 **Attachment # 1 MD WL 11-12-13.pdf**
457K

5304 - Service Boxes location of valves
not seen

Follow-up Responses for Warning Letter dated 11/12/2014

(1) 49 CFR Part 192.16(b): "Customer Notification"

(b) "Each operator shall notify each customer once in writing of the following information."

(1)"The operator does not maintain the customer's buried piping."

WG shall revise and modify its Procedure 2090 "Public Education." WG needs to address the information about distribution of customer handbook to all customers annually, which indicates the information about customer buried pipeline maintenance

Response: WG made the following revisions to O&M 2090 "Public Education":

"...Quarterly customer newsletter that include information on natural gas safety; pipeline safety; gas pipe maintenance; how to respond to a natural gas leak or other natural gas emergency; safe digging requirements and the national Miss Utility One Call number 811; meter tampering and gas theft; and the possible migration of natural gas into structures in the event of natural gas leak / natural gas emergency...

...Distribution of a customer handbook to all new customers. The handbook includes information on natural gas safety; pipeline safety; customer owned gas pipe maintenance; how to recognize, react and respond to a natural gas leak or other natural gas emergency; safe digging requirements and the national Miss Utility One Call number 811; meter tampering and gas theft; and the possible migration of natural gas into structures in the event of a natural gas leak / natural gas emergency...

...Annual direct mail campaigns targeting contractors/excavators, emergency officials/first responders, elected public officials and the affected general public. with information on natural gas safety; pipeline safety; gas pipe maintenance; how to recognize, react and respond to a natural gas leak or other natural gas emergency; safe digging requirements and the national Miss Utility One Call number 811; meter tampering and gas theft; and the possible migration of natural gas into structures in the event of a natural gas leak/natural gas emergency. Information available on the Washington Gas website."

A full copy of O&M 2090 is attached.

(2) 49 CFR Part 192.105 "Design Formula for Steel Pipe "No procedure was found. WG shall address the procedure for design of steel pipeline as specified in 192.105(a)

Response: WG made the following additions to O&M 2160 Design Specifications:

"PIPING DESIGN FORMULA FOR NEW INSTALLATIONS

All steel pipe designed for yield strength must meet the following criteria where:

▷ **Hoop stress levels are calculated using the formula: $S = [PD / 2t] * F * E * T$, where:**

S = Manufacturer stated Pipe Yield Strength

P = Designed maximum value of internal pressure the pipe will be subjected to, expressed in PSIG

D = Internal pipe diameter in inches

t = Nominal wall thickness of pipe in inches

F = Design Factor

E = Longitudinal Joint Factor

T = Temperature Derating Factor

▷ **Design Factor, F, for steel pipe,**

Class 1 = 0.70

Class 2 = 0.60

Class 3 = 0.50

Class 4 = 0.40

▷ **Longitudinal Design Factor E for steel pipe,**

Seamless = 1.00 for ASTM A 53 / A 53 M, A106, API 5 L,

Electric Resistance Welded = 1.00 for ASTM A 53 / A 53 M, A 333/A 333M, API 5 L,

Furnace butt welded = 0.60 for ASTM A 53 / A 53 M,

Double Submerged Arc Welded = 1.00 for ASTM A 381

Note: When joint factor cannot be determined, use 0.60 for < 4" pipe and 0.80 for > 4" pipe size.

▷ **Design factor, T, for steel pipe,**

For operating temperatures ≤ 250 Deg F, use a factor 1.00

For operating temperatures ≤ 300 Deg F, use a factor 0.967 and

For operating temperatures ≤ 350 Deg F, use a factor 0.933

▷ **The following classifications must be used based on the calculated stress level of the pipe that is placed in service:**

If the stress value is \geq to 20% SYMS, it must be classified as 'Transmission Pipe'

If the stress value is \leq 20% of SYMS, it must be classified as 'High Pressure Pipe'

All polyethylene pipe designed is in accordance with the formula:

▷ **$P = 2 * S [t / (D - t)] DF$ or $P = 2 * S / (SDR - 1) * DF$**

P = Design Pressure gauge in PSIG (maximum permissible value 100 PSIG),

S = Maximum permissible stress as stated by the manufacturer, must not exceed 11,000 psi for thermosetting plastic pipe.

SDR = Standard Dimension Ratio, ratio of outside pipe diameter to the minimum wall thickness of pipe.

D = Specified outside Pipe Diameter in inches.

DF = 0.32 or 0.40 based on pipe manufacture date.

For thermoplastic pipe, design temperature range is -20 Deg F to 140 Deg F

A complete copy of O&M 2160 is attached."

(3) CFR Part 192.179: "Transmission Line Valves" No procedure was found.

WG shall address the procedure for transmission line valve spacing as per class location as specified in 192.179(a)

Response: WG added the following table to O&M 5208 to address valve spacing concern:

"Spacing of transmission line valves must not exceed distances shown in table 5208-1 below:"

| Class Location | Maximum spacing between valves along a transmission pipeline |
|-----------------------|---|
| 1 | 20 miles |
| 2 | 15 miles |
| 3 | 8 miles |
| 4 | 5 miles |

A copy of O&M 5280 has been attached to this response.

(4) 49 CFR Part 192.364 "Service Lines : Location of Valves"

(a) "Relation to regulator or meter. Each service line valve must be installed upstream of regulator or, if there is no regulator, upstream of the meter"

WG shall revise language in Procedure 5304 p 4, "Service Shut-off Stopcocks & Regulators." WG shall revise and modify its procedure to address the language for service line valve installation on upstream of the regulator.

Response: WG has revised the procedure identified above by adding the following language to O&M 5304 p 4:

"...For high pressure services, a regulator must be installed between the service shut off and the meter..."

A copy of WG O&M 5304 is included as an attachment to this email.

(5) 49 CFR Part 192.457 and 192.465: "External Corrosion Control." No procedure was found for determining areas of active corrosion. WG shall address the procedure as per the requirements of 192.457 (b) and 192.465(e).

Response: WG contracted a consultant, Russell Corrosion, in August of 2013 to conduct a complete review of WG corrosion procedures and to make recommendations for updates, revisions and/or additions to current WG corrosion procedures to insure compliance with 192 Subpart I. At this time the field evaluations have been completed, Russell Corrosion is currently drafting their recommendations for changes to WG's Corrosion Control procedures. The anticipated inclusion of these recommendations in the WG Corrosion Control procedures is September 2014.

(6) 49 CFR Part 192 505 & 192.507 "Strength test requirements for steel piping to operate at a hoop stress of 30 percent or more SMYS and to operate at a hoop stress less than 30 percent SMYS." WG procedures 4212 & 4211 were found inadequate. WG shall address the language in the above procedures for 30 percent SMYS information.

Response: The following language has been added to O&M 4111 "Pressure Testing Distribution an High Pressure Pipelines" p 1 Scope "...and hoop stress less than 30% SYMS..." and p 2 Table 4211-2 "Greater than 60 psig and Less Than or Equal to 300 psig and/or hoop stress less than 30% SYMS."

Additionally, the following language has been added to O&M 4112 "Pressure Testing Transmission Lines" p 1 "... with a hoop stress above 30% SYMS."

Copies of O&M 4111 & 4112 are attached to this email.

(7) COMAR 20.57.02.03 B: "Reportable Incident Investigations."

B. A gas company or master meter operator shall preserve all equipment or piping which may have contributed to an incident until the investigation by the Division has been completed." WG procedure 1070 p 3 "Evidence Preservation & Laboratory Examination" does not properly address COMAR. WG shall address the above COMAR requirements in the manual.

Response: The following language was added to O&M 1070 Gas Related Incident Investigations p 1 "COMAR 20.57.02.03 B requires gas companies must preserve all equipment or piping which may have contributed to an incident until the investigation by the division is completed."

Additionally, the following language was added to O&M 1070 Gas Related Incident Investigations p 4 "If the incident being investigated is located in State of Maryland jurisdiction, the regulations specifically requires that WG must preserve all equipment or piping which may have contributed to an incident until the investigation by the Pipeline Safety Division has been completed."

A copy of WG O&M 1070 is included as an attachment to this email.

(8) COMAR 20.57.02.04(1) (a): "Reportable Incident Testing." (1)(a) "The perimeter of the area involved in the incident shall be leak surveyed using a subsurface detection survey as prescribed in the GTPC Guide." WG procedure 1043 p 3 "Investigation of Leaks (Responding to Emergencies)" does not properly address COMR. WG shall address the above COMAR requirements in the manual.

Response: The following language has been added to O&M 1040 "Responding to Emergencies" p 1

COMAR 20.57.02.04 (1) (a) requires gas reportable incident location perimeter be tested for leakage using subsurface gas detection surveys.

Additionally, the following language was added to O&M 1040 "Responding to Emergencies" p 3

"For further information on responding to leaks, see Engineering and Operating Standards Operations and Maintenance Manual Sections 3220 and 3221, Leak Investigations and Leak and Emergency orders"

A copy of WG O&M 1040 is included as an attachment to this email.

(9) 49 CFR Part 192.605(b) (8): "Periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation & maintenance and modifying the procedure when deficiencies are found."

WG procedure 4060 p 1, "Inspections" found inadequate. WG shall revise and modify its procedure 4060 and audit form APP4060-1 such that it is more specific in what is required by WG's supervisors. WG shall list all covered tasks & frequency of inspections in its procedures.

Response: WG has revised O&M 4060 p 1 with the addition of the following language:

"Management personnel conduct pipeline safety related field inspections to verify adequacy and effectiveness of operations and maintenance procedures. Deficiencies found observed during such inspections are recorded and notified for corrections."

Additionally, WG will send a Field Alert to Operations & Construction Management personnel identifying and restating the requirement to conduct the reviews required in O&M 4060 and will provide a copy of that alert and the revised forms APP 4060-1, APP 4060-2 used to document these reviews to the MD PSC.

W. KEVIN HUGHES
CHAIRMAN

COMMISSIONERS

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LAWRENCE BRENNER
KELLY SPEAKES-BACKMAN
ANNE E. HOSKINS

STATE OF MARYLAND



ANTHONY MYERS
EXECUTIVE DIRECTOR

MORRIS SCHREIM
CHIEF ENGINEER

**PUBLIC SERVICE COMMISSION
ENGINEERING DIVISION**

October 27, 2014

*Closed-out on
11/25/14*

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Mr. Adrian Chapman
President and Chief Operating Officer
Washington Gas
6801 Industrial Road
Springfield, VA 22151



WARNING LETTER

Dear Mr. Chapman:

This warning letter concerns the Washington Gas (WG) field construction inspection conducted by Mr. R. K. Amroliwala of the Maryland Public Service Commission Engineering Division (PSCED) on October 21, 2014, at 1616 Farragut Avenue, Rockville, Maryland. Washington Gas contractor, Northern Pipeline (NPL) was installing a ¾ inch plastic service line for the existing home. This inspection was conducted in the presence of Mr. John Clementson (Assistant Chief Engineer, PSCED), and Mr. Jim Henderson (State Liaison, Eastern Region, PHMSA). During this inspection Mr. Reggie Wilson (WG Supervisor), and Mr. Ahmadou L. Bagayoko (WG Auditor), were also present. During this inspection several procedures were observed which did not comply with applicable State and Federal regulations. The details are described below:

CODE AND SECTION

COMAR¹ 20.55.09.07.A – Pipeline Location.

DESCRIPTION

“Burial. All pipelines shall be buried a minimum of 24 inches; or 18 inches in solid rock, where the term solid rock indicates the necessity for blasting or the use of pneumatic equipment.”

¹ Code of Maryland Regulations

49 CFR² 192.13(c) – General

“Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.”

Washington Gas (WG) Operation and Maintenance (O&M) manual procedure – section 5254 (page 2 note 5 in Table 5254-1) for Minimum Depth of Cover states that:
“Code of Maryland (COMAR) requires a minimum of 24 inches cover in normal soil or 18 inches in solid rock.”

WG Contractor (NPL) foreman Mr. Brian Wiley was installing a ¾ inch plastic service pipeline at the above location. During this this inspection the depth of installed pipeline was measured by the PSCED and it was observed 21 inches instead of minimum requirement of 24 inches. Later Mr. Brian Wiley re-installed the pipeline at 26 inches deep.

WG Contractor (NPL) foreman Mr. Brian Wiley failed to follow the COMAR regulations and Washington Gas O&M manual procedure # section 5254 (page 1) for Minimum Depth of Cover 24 inches as mentioned in Table 5254-1.

Recommended Actions

Within 30 days receipt of this warning letter Washington Gas (WG) shall complete the following and shall submit written evidence of its actions to this agency in order to comply with pipeline safety requirements. If these conditions are not met, formal action may be implemented.

- (1) Washington Gas shall re-train Mr. Brian Wiley for the WG pipeline installation procedures.
- (2) WG shall issue an advisory bulletin to all contractor crews on the importance of maintaining a minimum depth of pipeline. Please send us a copy of the advisory bulletin with the date it goes out.
- (3) WG shall conduct more frequent and thorough inspections on the above contractor employees to make sure that they understand and follow the WG pipeline installation procedures.

Failure to follow the above regulations in the future shall result a Notice of Probable Violation (NOPV). A NOPV letter may contain a civil penalty as outlined in COMAR 20.57.02.05 and Article 78, Section 102A of the Public Service Commission Law.

Sincerely,


John Clementson
Assistant Chief Engineer

² Code of Federal Regulations

W. KEVIN HUGHES
CHAIRMAN

COMMISSIONERS

HAROLD D. WILLIAMS
LAWRENCE BRENNER
ANNE E. HOSKINS

STATE OF MARYLAND



ANTHONY MYERS
EXECUTIVE DIRECTOR

MORRIS SCHREIM
CHIEF ENGINEER

**PUBLIC SERVICE COMMISSION
ENGINEERING DIVISION**

June 16, 2015

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Mr. Adrian Chapman
President and Chief Operating Officer
Washington Gas
6801 Industrial Road
Springfield, VA 22151

*closed-out on
8/3/15
see attached
response*



WARNING LETTER

Dear Mr. Chapman:

In January, February and March of 2015, Mr. R. K. Amroliwala of the Maryland Public Service Commission Engineering Division conducted an inspection of the records associated with the maintenance and emergency operations of Washington Gas' (WG) gas distribution system. Thank you for the courtesies extended to him by your staff. As a result of this inspection, several areas where WG is not in full compliance with State and Federal gas pipeline safety regulations were found to exist. These areas are described in detail below:

49 CFR Part 192.723 Distribution systems: Leakage surveys.

(b)(1) "A leakage survey with leak detector equipment must be conducted in business districts, at intervals not exceeding 15 months, but at least once each calendar year.

COMAR 20.55.09.05B – Period of Surveys.

"Leak detection surveys shall be made as follows:

(2) *Places of Public Assembly. Service lines to places of public assembly shall be surveyed annually by HFI or CGI."*

A review of the WG leakage control report indicated the following:
Hart Zeon Synagogue Church, 1840 W. University Blvd., Silver Spring, Maryland (Quad Map# E 022NW)
Leak survey was conducted on 1-18-2013 and 7-11-2014.

A review of records revealed that WG missed the criteria for 15 months leak survey of pipeline.

WG failed to follow the above regulations.

WILLIAM DONALD SCHAEFER TOWER • 6 ST. PAUL STREET • BALTIMORE, MARYLAND 21202-6806

410-767-8000

Toll Free: 1-800-492-0474

FAX: 410-333-6495

MDRS: 1-800-735-2258 (TTY/Voice)

Website: www.psc.state.md.us

1. Corrective action required:

- WG shall describe what actions it will take to prevent similar situations in the future.
-

49 CFR Part 192.605 Procedural manual for operations, maintenance, and emergencies.

(b)(8) "Periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance and modifying the procedure when deficiencies are found".

49 CFR Part 192.605 Procedural manual for operations, maintenance, and emergencies.

(c)(4) "Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found."

WG Operations and Maintenance Manual Procedure No. 4060 on page 1 for Field Crew Inspection states that, "Operations supervisors shall conduct regular inspections of their personnel. The Supervisor shall document the inspection using Form APP 4060-1. Any deficiencies, and/or suggestions to improve a procedure, shall be recorded."

WG O&M manual procedure 4060 does not address the frequency of audit for the work done by the operating personnel, and type of operations to be audited.

Also, no procedure was addressed for 192.605(c)(4) for the abnormal operation and taking corrective action where deficiencies are found.

2. Corrective action required:

- WG shall revise and modify its procedure # 4060 and audit forms APP 4060-1 such that it is more specific in what is required by WG's supervisors. WG shall send us a copy of the procedure and a copy of the form for our review.
 - WG shall address the procedure as per the requirements of 49 CFR 192.605(c)(4) and address in audit form APP 4060-1 for controlling abnormal operation and taking corrective action where deficiencies are found.
-

49 CFR Part 192.459 External corrosion control: Examination of buried pipeline when exposed.

"Whenever an operator has knowledge that any portion of a buried pipeline is exposed, the exposed portion must be examined for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated."

A review of the WG maintenance field order report indicated the following:

- (1) 13002 Turkey Branch Parkway, Aspen Hill, Maryland. WR# 11322 44. Dt. 3-12-13. Leak on buried stop cock.

WGL replaced ¾" WRPD steel service line from curb-cock to outside riser.

No records were provided to demonstrate that WG had examined and documented the coating condition of the pipe.

- (2) 3417 Plyers Mill Road, Kensington, Maryland. WR# 1285420 and 1285422. Dt.3-11-14. WGL noted corrosion on 2" bare steel pipeline.

WGL technician note:

Type of corrosion: none Pit depth: 0.154
Coating condition: poor

WG technician failed to write the correct information for the type of corrosion found and coating condition in pipe examination records.

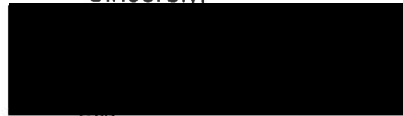
3. Corrective action required:

- WG shall review the incomplete maintenance field order with their supervisors and maintenance employees and inform them to keep the accurate records.
- WG shall describe what actions it will take to prevent similar situations in the future.

In order to comply with all of the code requirements listed above, WG shall complete all of the corrective actions required, by July 31, 2015, and shall submit the written documentation to verify its actions to this agency. If these conditions are not met, formal action may be implemented.

Failure to follow the above regulations in the future shall result a Notice of Probable Violation (NOPV). A NOPV letter may contain a Civil Penalty as outlined in COMAR 20.57.02.05 and Article 78, Section 102A of the Public Service Commission Law.

Sincerely,



John Clementson
Assistant Chief Engineer



**Washington
Gas**

6801 Industrial Rd
Springfield, VA 22151

July 31, 2015

Mr. John Clementson
Assistant Chief Engineer
Maryland Public Service Commission
Engineering Division
William Donald Schaefer Tower
6 St. Paul Street
Baltimore, Maryland 21202-6806

Mr. Clementson,

Washington Gas would like to submit the following information in response to the Warning Letter dated June 16, 2015.

With respect to Corrective Action Required #1, Washington Gas (WG) will be deploying an electronic Mobile Mapping system for use in leakage surveys. This technology will automate the scheduling of leak surveys and replace paper copies of prints and spreadsheets currently used for recording leakage surveys. This technology also provides real time recording of survey data and the ability to query for scheduled work for the entire year on the handheld equipment. These enhancements should address the concerns with completing leak surveys within the required intervals.

With respect to Corrective Action Required #2, Washington Gas is currently implementing software which will allow WGL to track the review of procedures in the Operations & Maintenance (O&M) manual with the tasks performed in the field. This software is being deployed to Pipeline Safety Auditors and both Construction and Field Operations Supervisors. This software is being utilized on tablets allowing real time entry of this data. The second part of your Corrective Action Required #2 relates to abnormal operation and taking corrective action when required. Procedures for addressing abnormal operating conditions are included in the WG O&M manual in the sections that specifically reference the tasks and procedures correlating to the respective parts of the WG system. The software and remote devices mentioned above will allow specific sections of the procedures to be correlated to specific tasks and identify the observations of procedures as satisfactory or unsatisfactory and facilitate the update of procedures if the need is identified.

With respect to Corrective Action Required #3, copies of the incomplete maintenance field orders have been circulated to the appropriate supervisory personnel for review as examples of the required records and required accuracy of these records. These requirements

will be reemphasized at weekly cascade meetings attended by field operations personnel who make these repairs and complete the Maintenance Field Orders.

We believe that the actions noted above address the concerns detailed in the Warning Letter and that they will prevent the reoccurrence of similar types of these situations. We welcome the opportunity to discuss this further with you and your staff. Please call at your convenience if you have any additional questions at 703-750-4341.

Sincerely,



David W. Spangler
Manager- DOT Pipeline Safety Compliance



R. K. Amroliwala -PSC- <[REDACTED]>

Fwd: Maryland Warning Letter Response

1 message

John Clementson -PSC- [REDACTED]

Mon, Aug 3, 2015 at 6:30 AM

To: "R. K. Amroliwala -PSC-" <[REDACTED]>

FYI

----- Forwarded message -----

From: **Spangler, David W** <DSpangler@washgas.com>

Date: Fri, Jul 31, 2015 at 5:15 PM

Subject: Maryland Warning Letter Response

To: "John.Clementson@maryland.gov" <John.Clementson@maryland.gov>

John,

Hope all is well. Attached please find WGL's response to your most recent Warning Letter. If you have any questions about it please feel free to contact me. I will also be reaching out to you to discuss the exciting items that I highlight in our response. Have a great weekend.

Warmest Regards,

David Spangler
Manager, DOT Pipeline
Safety Compliance
Washington Gas
6801 Industrial Rd.
Springfield, VA 22151

[REDACTED]

[REDACTED]



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8/3/2015

Maryland.gov Mail - Fwd: Maryland Warning Letter Response

the sender by reply e-mail, and delete and destroy all copies of the original message.

John Clementson
Assistant Chief Engineer
Public Service Commission of MD
[REDACTED]



MD PSC WL Response 07312015.pdf

110K

STATE OF MARYLAND



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CHIEF ENGINEER

PUBLIC SERVICE COMMISSION

ENGINEERING DIVISION

April 11, 2016

*Closed out on
6-27-16*

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Mr. Adrian Chapman
President and Chief Operating Officer
Washington Gas
6801 Industrial Road
Springfield, VA 22151



WARNING LETTER

Dear Mr. Chapman:

This notice concerns the Washington Gas (WG) field construction inspection conducted by Mr. R. K. Amroliwala of the Maryland Public Service Commission Engineering Division (PSCED) on March 31, 2016, at Greenbelt Station Parkway in College Park, Maryland. Washington Gas contractor, Northern Pipeline (NPL) was installing a six inch plastic gas main for new developments. During this inspection NPL Foreman Mr. Herman Scott and NPL General Foreman Mr. Kenneth Moore, were also present. During this inspection several procedures were observed which did not comply with applicable State and Federal regulations. The details are described below:

CODE AND SECTION

DESCRIPTION

49 CFR¹ 192.273(b)

"Each joint must be made in accordance with written procedures that have been proved by test or experience to produce strong gastight joints."

49 CFR 192.13(c)

"Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part."

Washington Gas Operation and Maintenance Manual procedure – section 5278 for Butt Fusion states that:

"The following eight steps are involved in making a butt fusion. Each of the steps must be performed in accordance with instruction sheets from the manufacturer of the pipe or fusion machine manufacturer and PPI Technical Reference TR-33 (latest edition):

¹ Code of Federal Regulations

NPL contractor fuser Mr. Tahir Cogborn was butt fusing a 6 inch plastic pipe by using a McElroy 28 hydraulic machine. While fusing two sections of pipe Mr. Cogborn applied 240 psi fusion pressure instead of applying 150-211 psi fusion pressure indicated in the WG procedure. During this inspection Mr. Cogborn said that he did not set the pressure on the machine. He used the settings on the machine which were previously set. Also, it was found that he was not able to read the gauge reading properly. He was reading bar reading on the gauge instead of reading psi.

The joint was inspected visually. The bead did not have an uniform double rolled back bead on both sides. We questioned the integrity of this joint. Mr. Scott (NPL Foreman) decided to cut out the joint after the deficiencies were pointed out.

The joint was inspected from the inside and outside. It was observed that the joint was made with incomplete facing and poor alignment. The butt fusion joint was incorrectly made.

WG contractor (NPL) technician Mr. Cogborn failed to follow the WG O&M Manual procedure section 5278 for a making butt fusion on hydraulic machine. WG plastic pipe joining procedure was not followed by the fuser.

Washington Gas failed to follow the above Federal regulations and its pipeline joining procedure.

Recommended Actions

Washington Gas (WG) shall complete the following requirements and shall submit written evidence of its actions to this agency in order to comply with pipeline safety requirements, within 30 days receipt of this letter. If these conditions are not met, formal action may be implemented.

- (1) WG shall assure that Mr. Cogborn does not assemble any joints until he is re-qualified.
- (2) WG shall re-qualify Mr. Cogborn within 7 days receipt of this letter, for the applicable butt fusion joining procedure using a hydraulic machine. Also, instruct him on how to read the pressure gauge correctly and to set the correct pressure on the fusing machine.
- (3) WG shall conduct more frequent and thorough inspections on the above contractor fusers to make sure that they understand and follow the pipeline safety regulations.
- (4) Please describe what actions you will take to prevent similar situations in the future.

Failure to follow the above regulations in the future shall result a Notice of Probable Violation (NOPV). A NOPV letter may contain a civil penalty as outlined in COMAR 20.57.02.05 and Article 78, Section 102A of the Public Service Commission Law.

Sincerely,


John Clementson
Assistant Chief Engineer



RECEIVED
6800 Industrial Rd
ENGINEERING DIVISION
Springfield, VA 22151
JUN 22 2016

PUBLIC SERVICE COMMISSION
OF MARYLAND

June 13, 2016

Mr. John Clementson
Assistant Chief Engineer
Maryland Public Service Commission
Engineering Division
William Donald Schaefer Tower
6 St. Paul Street
Baltimore, Maryland 21202-6806

*Classified
6/27/16*
[Redacted]

Mr. Clementson,

Washington Gas would like to submit the following information in response to the Warning Letter (WL) dated April 11, 2016.

The individual noted in the WL, Mr. Cogborn, was not allowed to assemble any joints on Washington Gas's system until he was retrained and re-qualified to do so on April 5, 2016. I have attached a copy of the roster for your reference.

Washington Gas has initiated more frequent and more thorough inspections on the contractor employees indicated above. These inspections are being conducted by Washington Gas Construction Supervisors and by Washington Gas DOT Pipeline Safety Compliance Auditors.

We believe that the actions noted above address the concerns detailed in the Warning Letter and that they will prevent the reoccurrence of similar types of these situations. We welcome the opportunity to discuss this further with you and your staff. Please call at your convenience if you have any additional questions at [Redacted].

Sincerely,

[Redacted Signature]

David W. Spangler
Manager- DOT Pipeline Safety Compliance



NPL SIGN-IN SHEET

| | |
|------------|------------------|
| CLASS NAME | PPJ |
| DATE | 4/5/16 |
| LOCATION | Landover, MD |
| INSTRUCTOR | Nicholas S. Cote |

Please Print Clearly

| <u>SUPER</u> | <u>Job Qualification</u> | <u>Hrs</u> | <u>EMPLOYEE NAME</u> First MI Last | <u>EMP ID #</u> | <u>SIGNATURE</u> |
|--------------|--------------------------|------------|---------------------------------------|-----------------|------------------|
| Ex Smith | Laborer | 4.5 | Jack O. Smith | 111111 | |
| John | Pipefitter, welder | 8 ✓ | Eyder Sunday | 24922 | |
| Chae | Foreman | 8 ✓ | Andrew Peice | 20225 | |
| | Pipefitter operator | 8 ✓ | Keith Rippen | 24071 | |
| ERICK | pipefitter | 8 ✓ | Jose Escobay | 21647 | |
| chuck | Pipefitter | 8 ✓ | Diomedes Salguero | 16578 | |
| chuck | operator pipe f. ter | 8 ✓ | DEREK JONES | 24971 | |
| Eric | Pipe Fitter FUSER | 8 ✓ | Tahir COBBEN | 8741 | |
| | | | | | |
| | | | | | |

NOTES:



NPL SIGN-IN SHEET

| | |
|------------|-------------------|
| CLASS NAME | PPJ Hands-On Eval |
| DATE | 4/8/16 |
| LOCATION | Wendover, MD |
| INSTRUCTOR | Nicholas S Cote |

Please Print Clearly

| <u>SUPER</u> | <u>Job Qualification</u> | <u>Hrs</u> | <u>EMPLOYEE NAME</u> First MI Last | <u>EMP ID #</u> | <u>SIGNATURE</u> |
|--------------|--------------------------|------------|---------------------------------------|-----------------|------------------|
| Eric Smith | Laborer | 4.5 | Jack O. Smith | 111111 | |
| Eric Laborer | Fitter/ Welder | 2 ✓ | Tahir COLLIER | 8741 | |
| John | Pipefitter welder | 8 ✓ | Zyde Sunday ✓ | 24922 | |
| Chuck | Foreman | 8 ✓ | Andrew Paine | 20225 | |
| Mark | Operator pipefitter | 8 ✓ | Derek Jones | 24971 | |
| | Operator pipefitter | 8 ✓ | Keith Rippen | 24871 | |
| Chuck | PIPEFITTER | 8 ✓ | Diomedes Salguero | 16578 | |
| Eric | PIPEFITTER | 8 ✓ | Jose Escobar | 21644 | |
| | | | | | |
| | | | | | |

NOTES:



6801 Industrial Rd
Springfield, VA 22151

June 13, 2016

Mr. John Clementson
Assistant Chief Engineer
Maryland Public Service Commission
Engineering Division
William Donald Schaefer Tower
6 St. Paul Street
Baltimore, Maryland 21202-6806

Mr. Clementson,

Washington Gas would like to submit the following information in response to the Warning Letter (WL) dated April 11, 2016.

The individual noted in the WL, Mr. Cogborn, was not allowed to assemble any joints on Washington Gas's system until he was retrained and re-qualified to do so on April 5, 2016. I have attached a copy of the roster for your reference.

Washington Gas has initiated more frequent and more thorough inspections on the contractor employees indicated above. These inspections are being conducted by Washington Gas Construction Supervisors and by Washington Gas DOT Pipeline Safety Compliance Auditors.

We believe that the actions noted above address the concerns detailed in the Warning Letter and that they will prevent the reoccurrence of similar types of these situations. We welcome the opportunity to discuss this further with you and your staff. Please call at your convenience if you have any additional questions at [REDACTED].

Sincerely,

[REDACTED]
David W. Spangler
Manager- DOT Pipeline Safety Compliance



NPL SIGN-IN SHEET

| | |
|------------|------------------|
| CLASS NAME | PPJ |
| DATE | 4/5/16 |
| LOCATION | Landover, MD |
| INSTRUCTOR | Nicholas S. Cote |

Please Print Clearly

| SUPER | Job Qualification | Hrs | EMPLOYEE NAME First MI Last | EMP ID # | SIGNATURE |
|-----------|----------------------|-----|--------------------------------|----------|-----------|
| Ex: Smith | Laborer | 4.5 | Jack D. Smith | 111111 | |
| John | Pipefitter, welder | 8 ✓ | Ryder Bonday | 24922 | |
| Chuck | Foreman | 8 ✓ | Andrew Peice | 20225 | |
| | Pipefitter Operator | 8 ✓ | Keith Rippen | 24871 | |
| ERICK | pipefitter | 8 ✓ | Jose Escobar | 21647 | |
| chuck | Pipefitter | 8 ✓ | Diomedes Salguero | 16578 | |
| chuck | operator pipe fitter | 8 ✓ | DEREK JONES | 24971 | |
| Eric | Pipe Fitter FUSER | 8 ✓ | Tahir Cogden | 87411 | |
| | | | | | |
| | | | | | |

NOTES:

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MORRIS SCHREIM
CHIEF ENGINEER

PUBLIC SERVICE COMMISSION

ENGINEERING DIVISION

June 7, 2016

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Mr. Adrian Chapman
President and Chief Operating Officer
Washington Gas
6801 Industrial Road
Springfield, VA 22151

WARNING LETTER

Dear Mr. Chapman:

On May 4 and 5, 2016, Mr. R. K. Amroliwala of the Maryland Public Service Commission Engineering Division met with Cindy Abel, Manager, Health and Medical, and Mr. Paul Moses, Supervisor, Pipeline Safety Compliances, for the purpose of inspecting the Washington Gas (WG) Anti-Drug Plan, Alcohol Misuse Prevention Plan, and associated records. Thank you for the courtesies extended to him by your staff. After reviewing these plans and records, the following areas of non-compliance with Federal pipeline safety regulations 49CFR part 199, Drug and Alcohol Testing were found. These areas are described in detail below:

49 CFR Part 199.105 Drug tests required.

- (c) "Random testing. (1) Except as provided in paragraphs (c)(2) through (4) of this section, the minimum annual percentage rate for random drug testing shall be 50 percent of covered employees.
(3) When the minimum annual percentage rate for random drug testing is 50 percent, the Administrator may lower this rate to 25 percent of all covered employees if the Administrator determines that the data received under the reporting requirements of 199.119 for two consecutive calendar years indicate that the reported positive rate is less than 1.0 percent.
(4) When the minimum annual percentage rate for random drug testing is 25 percent, and the data received under the reporting requirements of 199.119 for any calendar year indicate that the reported positive rate is equal to or greater than 1.0 percent, the Administrator will increase the minimum annual percentage rate for random drug testing to 50 percent of all covered employees."

WG Anti-Drug Plan Section V. 1. DOT-Required Drug Tests, in Random Drug Testing, states that,
"The company will conduct a number of random tests each calendar year that meets or exceeds the current minimum annual percentage random testing rate. The minimum rate for random drug testing, set by the PHMSA regulation, is 25 percent of the Company's covered employees."

WILLIAM DONALD SCHAEFER TOWER • 6 ST. PAUL STREET • BALTIMORE, MARYLAND 21202-6806

410-767-8000

Toll Free: 1-800-492-0474

FAX: 410-333-6495

MDRS: 1-800-735-2258 (TTY/Voice)

Website: www.psc.state.md.us

T:\PSIWGL\WARN1617 Drug Records Insp.doc

A review of the WG year 2014 random selection and testing records indicated the following:
Company's covered employees in the pool: 734
Random selection and testing: 167
Annual percentage rate for random drug testing: 22.75%

**WG failed to conduct random drug testing, minimum 25% set by the PHMSA regulation.
WG failed to follow the above Federal regulations and its Ant-Drug Plan procedure.**

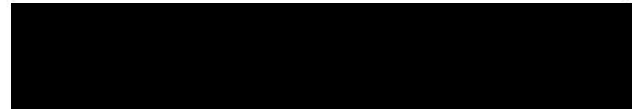
Corrective actions required:

- WG shall describe what actions it will take to prevent similar situations in the future.
 - WG shall address why in 2014, the minimum 25% random selection drug testing was not met.
-

Failure to respond in writing within 30 days shall result *in a Civil Penalty as outlined in COMAR 20.57.02.05 and 13-203 of the Public Utility Companies Article and Related Laws.*

The maximum civil penalty under 13-203, Public Utility Companies Article, is \$200,000 for each violation for each day that the violation persists. The maximum civil penalty shall not exceed \$2,000,000 for any related series of violations.

Sincerely,

A large black rectangular redaction box covering the signature of John Clementson II.

John Clementson II
Assistant Chief Engineer



Washington
Gas

6801 Industrial Rd
Springfield, VA 22151

July 7, 2016

Mr. John Clementson
Assistant Chief Engineer
Maryland Public Service Commission
Engineering Division
William Donald Schaefer Tower
6 St. Paul Street
Baltimore, Maryland 21202-6806

Mr. Clementson,

Washington Gas (WG) would like to submit the following information in response to the corrective actions required in the Warning Letter dated June 7, 2016.

With respect to the first required corrective action item *“WG shall describe what actions it will take to prevent similar situations in the future”*, WG has:

- In Q1 2015 WG adopted internal procedures on that require quarterly self audits that more effectively identify the need for additional testing dates that may be required prior to the end of each quarter in order to achieve the WG quarterly target goal. The implementation of these controls assured the minimum 25% testing requirements were met for 2015 – Covered employees in pool: 746, Random selection and testing: 189, Annual percentage rate for random drug testing: 25.34% and WG is currently well ahead of the quarterly target goals for Q1 & Q2 in 2016.
- Increased the number of alternates for the covered employees in the pool to compensate for a number of employees in the covered pool who work many different shifts to include different work days.

Regarding the second corrective action item *“WG shall address why in 2014, the minimum 25% random selection drug testing was not met”*, there were a number of factors in 2014 that contributed to WG not meeting the 25% required rate:

- WG's primary contractor who managed and conducted the random testing for WG suddenly became ill and subsequently was unable to continue providing the service for WG. WG began a search for a new contractor to conduct the Random Drug Testing at that time.

- WG's Senior Nursing Specialist and Designated Employee Representative (DER) took over the responsibility for the random testing in Q1 of 2014 on an interim basis. WG's DER suddenly retired from WG on May 1, 2014.
- A temporary replacement was brought in to oversee the Drug & Alcohol program and DER responsibilities in April 2014.
- WG's new contractor was procured April 23, 2014 and the random drug testing resumed in the last month (June) of Q2.

As a result of the above factors and subsequent loss of key personnel in early 2014, the quarterly targets were lower during Q1 & Q2, and WG was unable to make-up the additional testing numbers during Q3 & Q4 in order to meet the 25% requirement.

WG believes that the current procedures and the actions noted above address the concerns detailed in the Warning Letter. WG welcomes the opportunity to discuss this further with you and your staff. Please call at your convenience if you have any additional questions at [REDACTED]

Sincerely,

[REDACTED]
David W. Spangler
Manager- DOT Pipeline Safety Compliance