



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

1200 New Jersey Avenue SE
Washington DC 20590

2019 Gas State Program Evaluation

for

Alabama Public Service Commission

Document Legend

PART:

- O -- Representative, Dates and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- State Qualifications
- D -- Program Performance
- E -- Field Inspections
- F -- Damage prevention and Annual report analysis
- G -- Interstate Agent/Agreement States



2019 Gas State Program Evaluation -- CY 2019

Gas

State Agency: Alabama

Rating:

Agency Status:

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

Date of Visit: 03/26/2020 - 04/01/2020

Agency Representative: Wallace Jones - Director, Gas Pipeline Safety Division

PHMSA Representative: Glynn Blanton, US DOT/PHMSA State Evaluator

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

Name/Title: Twinkle Andress Cavanaugh, President

Agency: Alabama Public Service Commission

Address: 100 N. Union St., Suite 800

City/State/Zip: Montgomery, Alabama 36104

INSTRUCTIONS:

Complete this evaluation in accordance with the Evaluator Guidance for conducting state pipeline safety program evaluations. The evaluation should generally reflect state program performance during CY 2019 (not the status of performance at the time of the evaluation). 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 appropriate notes/comments section. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and they OBJECTIVELY reflect the state's program performance for the question being evaluated. Increasing emphasis is being placed on how the state pipeline safety programs conduct and execute their pipeline safety responsibilities (their performance). This evaluation, together with selected factors reported in the state's annual progress report attachments, provide the basis for determining the state's pipeline safety grant allocation.

Scoring Summary

PARTS	Possible Points	Points Scored
A Progress Report and Program Documentation Review	0	0
B Program Inspection Procedures	15	15
C State Qualifications	10	10
D Program Performance	50	50
E Field Inspections	15	15
F Damage prevention and Annual report analysis	4	4
G Interstate Agent/Agreement States	0	0
TOTALS	94	94
State Rating		100.0



PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- 1 Were the following Progress Report Items accurate? Info Only Info Only
Info Only = No Points
- a. Stats On Operators Data - Progress Report Attachment 1
 - b. State Inspection Activity Data - Progress Report Attachment 2
 - c. List of Operators Data - Progress Report Attachment 3*
 - d. Incidents/Accidents Data - Progress Report Attachment 4*
 - e. Stats of Compliance Actions Data - Progress Report Attachment 5*
 - f. List of Records Kept Data - Progress Report Attachment 6 *
 - g. Staff and TQ Training Data - Progress Report Attachment 7
 - h. Compliance with Federal Regulations Data - Progress Report Attachment 8
 - i. Performance and Damage Prevention Question Data - Progress Report Attachment 10*

Evaluator Notes:

Yes.

- a. Several changes in total number of operator's due to master meter purchases. All units were inspected during calendar year.
- b. Fifteen percent of total inspection person days were spent on construction.
- c. No issues in comparing operator types in each attachment 1 & 3. Alabama has five LNG facilities.
- d. Two incidents occurred: Spire Alabama- no injuries. Northwest Alabama Gas District-one injury.
- e. Information on compliance issues was compared to spreadsheet provided by program manager and found correct. No issue of concern.
- f. Reviewed Administrators Monthly, Quarterly and Annual Person-Day Reports along with other office records. Records maintained were consistent from previous CY2018 review.
- g. Verification of TQ training confirm seven of the nine inspectors are category II and two category III. All are IM & Gas qualified.
- h. Automatic adoption of regulations, Civil penalty is \$200,000/\$2 Million.
- i. Description is concise with past and future performance goals. Answer to Damage Prevention question on action to be taken on enforcement was provided. Authority will be taking action in January 2020 to making changes to their law.

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



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|----------|--|---|---|
| 1 | Do written procedures address pre-inspection, inspection and post inspection activities for each of the following inspection types: Chapter 5.1
Yes = 5 No = 0 Needs Improvement = 1-4
a. Standard Inspections, which include Drug/Alcohol, CRM and Public Awareness Effectiveness Inspections
b. TIMP and DIMP Inspections (reviewing largest operator(s) plans annually)
c. OQ Inspections
d. Damage Prevention Inspections
e. On-Site Operator Training
f. Construction Inspections (annual efforts)
g. LNG Inspections | 5 | 5 |
|----------|--|---|---|

Evaluator Notes:

- a. Standard inspections scheduled was in Alabama Pipeline Safety Program Operations Plan, revised March, 2020 on pages 12-15, Section V. Conducting Inspections: Sub-Sections A-G.
- b. DIMP inspections are listed on page 19, Section V. Conducting Inspections: Sub-Sections P. Appendix C - Item R. page 18 of PHMSA Form -1, Subpart O, Pipeline Integrity Management for IMP (192.901 - 192.951); Appendix C - Item A, page 2, para. 5. (DIMP) and para. 6, (IMP); Appendix C - Item Q, page 25 of PHMSA Form - 2, Subpart P, Pipeline Integrity Management (192.1001 - 192.1005)
- c. This item is listed on page 17, Section I. Training and Operator Qualification.
- d. This item is located on pages 18, Section M, Damage Prevention Activities.
- e. This information is located on pages 18, Operator Training
- f. This requirement is located on pages 15-17, Section V, Subsection H. AL PSC has their own construction forms. All Alabama operator are required to file a construction notification to the agency prior to work being performed. This is a PSC rule.
- g. This information is located on pages 19 under section O. All LNG facilities are inspected every three years.

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| 2 | Do written procedures address inspection priorities of each operator, and if necessary each unit, based on the following elements and time frames established in its procedures? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3
a. Length of time since last inspection
b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)
c. Type of activity being undertaken by operators (i.e. construction)
d. Locations of operator's inspection units being inspected - (HCA's, Geographic area, Population Centers, etc.)
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)
f. Are inspection units broken down appropriately? | 4 | 4 |
|----------|--|---|---|

Evaluator Notes:

Located in Appendix D-Risk Management Assessments of Alabama Pipeline Safety Program Operations Plan information on risk management is identified. The document contains all the elements required to rank risk and priorities their inspection visits. Appendix D is located on pages 35 & 36. Annual review of inspection units are conducted by inspectors and program manager. Inspection units were found broken down correctly.

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| 3 | (Compliance Procedures) 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 = 3 No = 0 Needs Improvement = 1-2
a. Procedures to notify an operator (company officer) when a noncompliance is identified
b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns
c. Procedures regarding closing outstanding probable violations | 3 | 3 |
|----------|---|---|---|

Evaluator Notes:



- a. Yes, this is listed in Alabama Public Service Commission procedure manual in Section S. Notices of Probable Violations page 20.
- b. Yes, this information is listed under section U. Notice of Probable Violation Tracking, page 21
- c. Yes, this information is listed under section V. Removal or Correction of a Probable Violation, pages 22-23

- 4** (Incident/Accident Investigations) Does the state have written procedures to address state actions in the event of an incident/accident? 3 3
- Yes = 3 No = 0 Needs Improvement = 1-2
- a. Mechanism to receive, record, and respond to operator reports of incidents, including after-hours reports
 - b. If onsite investigation was not made, do procedures require on-call staff to obtain sufficient information to determine the facts to support the decision not to go on-site.

Evaluator Notes:

- a. Alabama Pipeline Safety Program Operations Plan on pages 25-29, VI. Investigation of Incidents. address this issue.
- b. Yes, Alabama PSC's GPS Rule #9, requires the pipeline operator to give telephonic notice of all incidents by calling (334) 242-5778 to report incidents during normal business hours of 8:00 AM to 5:00 PM. After hours, the operator is required to call the Pipeline Safety Investigator assigned to or located in the operator's region of the state (North, Central or South Alabama). Page 25 of the Operations Plan, Para. B - General Procedures, 2nd paragraph; page 26, first full paragraph; Page 28, para. E. Telephone Notification address this item.

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

Evaluator Notes:

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

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



PART C - State Qualifications

Points(MAX) Score

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- 1** Has each inspector and program manager fulfilled 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
 - b. Completion of Required DIMP/IMP Training before conducting inspection as lead
 - c. Completion of Required LNG Training before conducting inspection as lead
 - d. Root Cause Training by at least one inspector/program manager
 - e. Note any outside training completed
 - f. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector (Reference State Guidelines Section 4.3.1)

Evaluator Notes:

? Yes, Program Manager and nine inspectors have completed the required gas courses and meet gas inspector requirements. ? Yes, six inspectors and Program Manager have completed the required DIMP/IMP training courses. ? Yes, Program Manager and three inspectors have completed the root cause course. ? Yes, inspectors continue to obtain HAZWOPER Certifications training. ? Yes, a review of TQ Blackboard confirm 9 inspectors are qualified to perform a standard inspection as the lead.

- 2** Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 **5** **5**
Yes = 5 No = 0 Needs Improvement = 1-4

Evaluator Notes:

Yes, Mr. Jones continues to demonstrate an excellent understanding of the requirements of the pipeline safety program. He has completed all TQ courses within the required three years from attending the first course. He has over forty-one plus years of natural gas experience. He is currently the Chairman of the National Association of Pipeline Safety Representatives.

- 3** 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 D - Program Performance

Points(MAX) Score

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|----------|---|---|---|
| 1 | 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 |
| | <ul style="list-style-type: none">a. Standard (General Code Compliance)b. Public Awareness Effectiveness Reviewsc. Drug and Alcohold. Control Room Managemente. Part 193 LNG Inspectionsf. Construction (did state achieve 20% of total inspection person-days?)g. OQ (see Question 3 for additional requirements)h. IMP/DIMP (see Question 4 for additional requirements) | | |

Evaluator Notes:

Information provided by program manager and a review of spreadsheet confirmed all inspection types were performed in accordance to written procedures. The agency achieved 15% of total inspection person days for construction inspections in CY2019. Suggested to program manager the 20% inspection person days level would need to be achieved to prevent loss of points in next year's evaluation. This item should be shared with inspector staff members.

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| 2 | 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. Do inspection records indicate that adequate reviews of procedures, records and field activities, including notes and the appropriate level of inspection person-days for each inspection, were performed?
Yes = 10 No = 0 Needs Improvement = 1-9 | 10 | 10 |
| | <ul style="list-style-type: none">a. Standard (General Code Compliance)b. Public Awareness Effectiveness Reviewsc. Drug and Alcohold. Control Room Managemente. Part 193 LNG Inspectionsf. Constructiong. OQ (see Question 3 for additional requirements)h. IMP/DIMP (see Question 4 for additional requirements) | | |

Evaluator Notes:

Using the random generator program a selection of operators for CY2019 were determined across all types. In addition to the random selected operators the follow was reviewed. 1. Double Springs LNG; 2. Black Belt Energy - Transmission; 3. Bridgeport Utilities Board; 4. Clarke-Mobile Counties Gas District - Dist.; 5. Fairhope Gas System; 6. Lamar County Gas District; 7. Moulton Gas System; 8. Piedmont Gas Board; 9. Robertsdale Gas System; 10. Stevenson Utilities Board; 11. Union Springs Utilities Board; 12. York Gas System; 13. Dadeville Housing Authority; 14. Talladega Housing Authority; 15. Hunt Refining Company - Product; 16. Shell Chemical Company. All reports were checked and well documented with facts and compliance with pipeline safety regulations.

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| 3 | 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 established in the operator's plan. 49 CFR 192 Part N
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, selected 16 inspection reports that included OQ inspections. A review of OQ inspection forms clearly demonstrated the agency had verified the operator's plan were up to date and met federal regulations.



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| 4 | Is state verifying operator's integrity management Programs (IMP and DIMP)? This should include a review of plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operator's plan(s). 49 CFR 192 Subpart P
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
| | <ul style="list-style-type: none"> a. Are the state's largest operator(s) plans being reviewed annually? b. Are states verifying with operators any plastic pipe and components that have shown a record of defects/leaks and mitigating those through DIMP plan? c. Are the states verifying operators are including low pressure distribution systems in their threat analysis? | | |

Evaluator Notes:

- a. This item is covered in their inspection form. Question no 16 on the standard inspection form was developed and used to check this item. A review of form confirms this was checked. Yes, a review of spreadsheet confirmed the larger operator's plans were checked annually via a question on the standard inspection that was conducted.
- b. This is addressed via question 41 on the standard inspection form.
- c. This is addressed via questions 42 & 16 c on the standard inspection form.

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| 5 | Did the state review the following (these items are NTSB recommendations to PHMSA that have been deemed acceptable response based on PHMSA reviewing these items during the evaluation process): Chapter 5.1
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
| | <ul style="list-style-type: none"> a. Operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken; b. Operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance); c. Operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21; d. Operator records of previous accidents and failures including reported third-party damage and leak response to ensure appropriate operator response as required by 192.617; e. 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; f. Operator procedures for considering low pressure distribution systems in threat analysis? g. Operator compliance with state and federal regulations for regulators located inside buildings? | | |

Evaluator Notes:

Yes, these items are checked and found on Alabama Gas Field Evaluation Report and PHMSA Standard Inspection Report of a Gas Distribution Operator form. These inspection forms are using on all natural gas operators when conducting an inspection.

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| 6 | Did the State verify Operators took appropriate action regarding advisory bulletins issued since the last evaluation? (Advisory Bulletins Current Year)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

The advisory bulletins are discussed with the operator during the inspection and listed on the federal form.

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| 7 | (Compliance Activities) 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 = 10 No = 0 Needs Improvement = 1-9 | 10 | 10 |
|---|---|----|----|

- a. Were compliance actions sent to company officer or manager/board member if municipal/government system?
- b. Were probable violations documented properly?
- c. Resolve probable violations
- d. Routinely review progress of probable violations
- e. Did state issue compliance actions for all probable violations discovered?
- f. Can state demonstrate fining authority for pipeline safety violations?
- g. Does Program Manager review, approve and monitor all compliance actions? (note: Program Manager or Senior Official should sign any NOPV or related enforcement action)
- h. Did state compliance actions give reasonable due process to all parties? Including "show cause" hearing, if necessary.
- i. Within 30 days, conduct a post-inspection briefing with the owner or operator outlining any concerns
- j. Within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection. (Incident investigations do not need to meet 30/90-day requirement)

Evaluator Notes:

- a. Yes, a review of seven operators; Clarke-Mobile, Fairhope Gas System, Robertsdale Gas System, Stevenson Utilities Board, Union Springs Utilities Board, Dadeville Housing Authority and Hunt Refining Company confirm all letters were sent to company officers.
- b. Yes, all probable violations were well documented in the inspection report and letter to the company officer.
- c. Yes, violations were follow-up with inspection and correspondence from operator.
- d. Yes, a review of spreadsheet confirm violations were routinely monitored by program manager or administrative assistant.
- e. Yes, compliance action was taken and 116 violations were issued in CY2019.
- f. Yes, a civil penalty of \$3,000 was assessed against Camp Hill Utilities Board in CY2019.
- g. Yes, all inspection reports and NOPV are reviewed and approved before issuing a letter of non-compliance.
- h. Yes, information on civil penalty and show cause hearing is provided in the non-compliance letter.
- i. An exit interview is conducted immediately after the inspection and an exit interview form is completed and attached to the inspection report.
- j. Yes, a response is provided to the operator on the inspection performed or NOPV within 60 days after the inspection report is approved.

8 (Incident Investigations) Were all incidents investigated, thoroughly documented, with conclusions and recommendations? 10 10

Yes = 10 No = 0 Needs Improvement = 1-9

- a. Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports?
- b. Did state keep adequate records of Incident/Accident notifications received?
- c. If onsite investigation was not made, did the state obtain sufficient information from the operator and/or by means to determine the facts to support the decision not to go on site?
- d. Were onsite observations documented?
- e. Were contributing factors documented?
- f. Were recommendations to prevent recurrences, where appropriate, documented?
- g. Did state initiate compliance action for any violations found during any incident/accident investigation?
- h. Did state assist Region Office or Accident Investigation Division (AID) by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA?
- i. Does state share any lessons learned from incidents/accidents?

Evaluator Notes:

- a. Yes, their procedures pertaining to incident investigations is in Alabama Pipeline Safety Program Operations Plan on pages 25-29, VI. Investigation of Incidents.
- b. Yes, two incidents occurred in CY2019. One on 2/12/2019 with Spire Alabama that was due to a third party hit. The second one was with Northwest Alabama Gas District when a vehicle hit an above ground regulator station.
- c. Alabama PSC's GPS Rule #9, requires the pipeline operator to give telephonic notice of all incidents by calling (334)

242-5778 to report incidents during normal business hours from 8:00 AM to 5:00 PM or contact the affected inspector. Information was provided to APUC from the two operators about the incidents that occurred in CY2019 in sufficient detail to determine not to go to the sites.

d, e, f g. No investigations were performed on the two incidents. The program manager/inspector decided not to investigate the two incidents based on information provided by the operators. It is suggested to add to the agency's incident report form or procedures a statement that information provided by the operator was sufficient to not go to the site to investigate the incident due to third party or other factors.

h. Yes, information provided by Brian Pierzina, PHMSA AID confirm the agency did perform follow-up action pertaining to the two incident reports requested by AID.

i. Yes, lessons learned are shared at NAPSRS Southern Region Meetings.

9	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 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

Response was not required due to no issues of concern or findings in CY2018 state program evaluation.

10	Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5 Info Only = No Points	Info Only	Info Only
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Evaluator Notes:

Yes, the 2019 AL PSC pipeline safety seminar was held in Montgomery, AL on December 3-5, 2019. Number of attendees were three hundred and twenty-five.

11	Has state confirmed transmission operators have submitted information into NPMS database along with changes made after original submission? Info Only = No Points	Info Only	Info Only
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Evaluator Notes:

Yes, Alabama PSC Gas Field Evaluation Report question 8 addresses this item and on page 3 of the Federal Standard Inspection form. A review of inspection reports confirms they reviewed this requirement.

12	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
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Evaluator Notes:

This is accomplished through the Alabama Natural Gas Association and AL PSC websites. Information about compliance and other safety items are listed.

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

A review of Pipeline Data Mart confirmed no safety related condition reports in CY2019.

14	Was the State responsive to: Yes = 1 No = 0 Needs Improvement = .5 a. Surveys or information requests from NAPSRS or PHMSA; b. Operator IM notifications; and c. PHMSA Work Management system tasks?	1	1
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Evaluator Notes:

a. Yes, discussions with Robert Clarillos confirm Wallace Jones responded to survey monkey requests.
b & c: A review of WMS found no requests were made in CY2019.

- 15** If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate. 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

There are three active waivers. The first one was issued in 2009 to Spire Gas for un-odorized gas to be delivered to Hunt Oil Corp. This waiver continues to be monitored during inspection visits. The second waiver was issued in 2017 to W&T Offshore pertaining to installation of new reinforced thermoplastic pipe (RTP). This is also being monitored by AL PSC during their inspection audits.

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- 16** Were pipeline program files well-organized and accessible? Info Only Info Only
Info Only = No Points

Evaluator Notes:

Yes, a discussion with Program Manager confirmed the program files have not changed from my review last year. Therefore, no issues of concern.

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- 17** Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT). Has the state updated SICT data? 3 3
Yes = 3 No = 0 Needs Improvement = 1-2

Evaluator Notes:

A review of the SICT program was discussed and reviewed with Wallace Jones. He is familiar with how to make changes to the SICT numbers for Gas & HL programs.

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- 18** Discussion on State Program Performance Metrics found on Stakeholder Communication site. \ http://primis.phmsa.dot.gov/comm/states.htm?nocache=4805 Info Only Info Only
Info Only = No Points

Evaluator Notes:

Reviewed with Program Manager the State Program Performance Metrics. It was suggested to add this website to the AL PSC website.

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- 19** Did the state encourage and promote operator implementation of Pipeline Safety Management Systems (PSMS), or API RP 1173? This holistic approach to improving pipeline safety includes the identification, prevention and remediation of safety hazards. Info Only Info Only
Info Only = No Points
a. <https://pipelinesms.org/>
b. Reference AGA recommendation to members May 20, 2019

Evaluator Notes:

This item was presented at the AL PSC Seminar by Steve Adam with Energy WorldNet.

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

Evaluator Notes:

A loss of two points occurred in Question D.8

Total points scored for this section: 50
Total possible points for this section: 50

- 1** Operator, Inspector, Location, Date and PHMSA Representative (enter specifics into the Info Only Info Only comments box below) Info Only = No Points
- a. What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc)
 - b. When was the unit inspected last?
 - c. Was pipeline operator or representative present during inspection?
 - d. Effort should be made to observe newest state inspector with least experience

Evaluator Notes:

*LNG inspection-July 14th Pinson, AL with Spire *Last inspection conducted on November 18, 2019 * Yes, Eric Rigdon (Manager of Gas Control), Todd Garrison (Pinson LNG Plant Manager) and Jason Mills (Coosada LNG Supervisor. Three AL PSC inspectors were present: Jamar Robinson, Greg Meadows & Asia Skillman. Greg Meadows was the lead inspector.

*Standard Inspection on Cullman-Jefferson conducted on July 15th. Greg Meadows, Asia Skillman & Jamar Robinson were the inspectors. Greg was the lead inspector. The inspectors were using AL PSC Form Q, Standard Inspection Report for Distribution System. This unit was last inspected on August 26-28, 2019. All inspections conducted this year due to the COVID were being performed as a team. Keith Blackwood , System Engineer; Adam Blocker, Measurement Control

- 2** 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, AL PSC Form T, LNG Standard Inspection was used. Observed Greg, Jamar & Asia asking questions to Todd Garrison about company procedures on LNG. They asked questions pertaining to company training, maintained records and local fire department locations that would be contacted in case of an emergency.

Yes, AL PSC Form Q, Standard Inspection Report for Distribution System. Each question on the form was asked of the operator to provide an answer. Mr. Blackwood's response answers came from the operator's O&M Plan and electronic records.

- 3** Did the inspector adequately review the following during the inspection 10 10
 Yes = 10 No = 0 Needs Improvement = 1-9
- a. Procedures (were the inspector's questions of the operator adequate to determine compliance?)
 - b. Records (did the inspector adequately review trends and ask in-depth questions?)
 - c. Field Activities/Facilities (did inspector ensure that procedures were being followed, including ensuring that properly calibrated equipment was used and OQ's were acceptable?)
 - d. Other (please comment)
 - e. Was the inspection of adequate length to properly perform the inspection?

Evaluator Notes:

* Yes, good questions were asked about training, communication & equipment. In depth questions about what action the operator will take if an accident occurred on their facility. * Greg reviewed the transfer procedures for LNG with Todd Garrison, Supv Operations as it applies to federal regulations. Jamar identified errors in operator's AL PSC contact list and personnel list. Asia assisted in taking notes and recording the responses from the operator on questions asked. Yes, the inspection was a full day which include a plant site review of the two tanks and control rooms.

Yes, Greg follow the standard inspection questions format and documented the answers into the form. A discussion on their pipeline replacement plan and abandon of service lines were reviewed. Review of flow charts and regulator relief valve inspection records was conducted. Asia Skillman & Jamar Robinson verified the data provided and insured compliance was met.

- 4** From your observation 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, Greg Meadows has completed all TQ courses including the LNG. He is very knowledgeable about the regulations and has over 34 years of experience. Asia has 7 yrs & Jamar 5 yrs in pipeline safety inspection auditing.

Yes, Greg Meadows has completed all TQ courses to qualify as a Gas Safety Inspector. Additionally, Asia Skillman & Jamar Robinson are qualified gas safety inspectors.

5 Did the inspector conduct an exit interview, including identifying probable violations? (If inspection is not totally completed the interview should be based on areas covered during time of field evaluation) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, three violations and one recommendation was cited. The violations were relative to the company's written procedures. The recommendation pertained to update contact individual's names.

Exit interview will be conducted tomorrow. One recommendation was to increase the injection rate of odorant into the system due to new installation of pipelines in the system.

6 Was inspection performed in a safe, positive, and constructive manner ? Info Only Info Only

Info Only = No Points

- a. No unsafe acts should be performed during inspection by the state inspector
- b. What did the inspector observe in the field? (Narrative description of field observations and how inspector performed)
- c. Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices)
- d. Other

Evaluator Notes:

Yes, a plant tour of the LNG tanks, control rooms and vaporization units was conducted. Good questions were asked about fire protection, vaporization flow charts and generator usage during vaporization and liquification process. A review of the two tanks was conducted in a professional manner. Yes, all protocols on COVID-19 was observed pertaining to meeting with the operator and other personnel.

Yes, this inspection was conducted under the COVID-19 guidelines and the State of Alabama requirements all individuals must wear a mask and maintain a six-foot distance from each person. Audit was conducted in a conference room observing and complying with these requirements.

7 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

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

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



PART F - Damage prevention and Annual report analysis

Points(MAX) Score

-
- | | | | |
|----------|--|---|---|
| 1 | 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 annually reviews all reports. If the reports have errors they are returned to the operator to make corrections. It was suggested each inspector perform an analysis of the operator's annual report and discuss the results with the operator during their inspection audit.

- | | | | |
|----------|--|---|----|
| 2 | Has the state verified that the operators analyze excavation damages for the purpose of determining root causes and minimizing the possibility of a recurrence? (? 192.617)
Has the state verified that the operators have appropriately identified excavators who have repeatedly violated one-call laws and damaged their facilities. Have the operators taken steps to mitigate that risks? (? 192.1007)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | NA |
|----------|--|---|----|

Evaluator Notes:

Question 5 on Alabama Public Service Commission inspection form address this item. AL PSC has recently added additional questions to the standard inspection form to address a more in-depth review of all these items. Wallace Jones received and reviewed the Alabama Excavation Damage Worksheet provided by David Appelbaum. AL PSC inspectors plan to ask more questions and work closely with all operators to implement improvements in causes of damages to gas facilities.

- | | | | |
|----------|---|---|----|
| 3 | Has the state reviewed the operator's annual report pertaining to Part D ? Excavation Damage?
Yes = 4 No = 0 Needs Improvement = 1-3 <ol style="list-style-type: none">a. Is the information complete and accurate with root cause numbers?b. Has the state evaluated the causes for the damages listed under "One-Call Notification Practices Not Sufficient" (Part D.1.a)?c. Has the state evaluated the causes for the damages listed under "Locating Practices Not Sufficient" (Part D.1.b)? For each operator, does the state review the following?d. Is the operator or its locating contractor(s) qualified and following written procedures for locating and marking facilities?e. Is the operator appropriately requalifying locators to address performance deficiencies?f. What is the number of damages resulting from mismarks?g. What is the number of damages resulting from not locating within time requirements (no-shows)?h. Is the operator appropriately addressing discovered mapping errors resulting in excavation damages?i. Are mapping corrections timely and according to written procedures?j. Has the state evaluated the causes for the damages listed under "Excavation Practices Not Sufficient" (Part D.1.c)? | 4 | NA |
|----------|---|---|----|

Evaluator Notes:

a. Program Manager's reviews all annual reports for accurate and root cause items. This information is used in the risk ranking of inspection audits.
b. Program Manger has reviewed and tabulated root causes.
c. The inspectors during their audit reviews discuss this information with the operator. It was suggested the questions listed below be added to the inspector's standard inspection form.
d thru j. These questions have normally been discussed or reviewed with the operator without documentation to support the review. After discussion with Program Manager regarding the importance of these items, has agreed to add these questions to the standard inspection form.

- | | | | |
|----------|---|---|---|
| 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?
Yes = 2 No = 0 Needs Improvement = 1 <ol style="list-style-type: none">a. What stakeholder group is causing the highest number of damages to the pipelines? Operator, contractor, locating company or public. | 2 | 2 |
|----------|---|---|---|

- b. Has the state verified the operator is appropriately focusing damage prevention education and training to stakeholders causing the most damages?
- c. Has the state evaluated which of the following best describes the reason for the excavation damages; i.e., operator or contractor not following written procedures, failure to maintain marks, failure to support exposed facilities, failure to use hand tools were required, failure to test-hole (pot hole), improper backfilling practices, failure to maintain clearance or insufficient excavation practices.
- d. Has the state verified the operator is appropriately focusing damage prevention education and training to address the causes of excavation damages?

Evaluator Notes:

- a. A review of past reports and incidents indicate the contractor stakeholder is causing the highest number of damages.
- b. Yes, this is checked and reviewed during audit reviews. Additionally, at the pipeline safety seminar and Alabama Public Awareness Cooperative Training meetings across the state.
- c. Yes, contractors are not following procedures or best practices.
- d. Yes, this was accomplished at Alabama Public Awareness Cooperative Training and review of construction sites by inspector staff.

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: 4
Total possible points for this section: 4



PART G - Interstate Agent/Agreement States

Points(MAX) Score

- 1** Were all inspections of interstate pipelines conducted using the Inspection Assistant program for documenting inspections. Info Only Info Only
Info Only = No Points

Evaluator Notes:

AL PSC is not an interstate agent and does not have a 60106 agreement with PHMSA

- 2** If inspections were conducted independent of a PHMSA team inspection was notice of all identified probable violations provided to PHMSA within 60 days. Info Only Info Only
Info Only = No Points

Evaluator Notes:

AL PSC is not an interstate agent and does not have a 60106 agreement with PHMSA

- 3** If inspections were conducted independent of a PHMSA team inspection was PHMSA immediately notified of conditions which may pose an immediate safety hazard to the public or environment? Info Only Info Only
Info Only = No Points

Evaluator Notes:

AL PSC is not an interstate agent and does not have a 60106 agreement with PHMSA

- 4** If inspections were conducted independent of a PHMSA team inspection did the state coordinate with PHMSA if inspections not were not included in the PHMSA Inspection Work Plan? Info Only Info Only
Info Only = No Points

Evaluator Notes:

AL PSC is not an interstate agent and does not have a 60106 agreement with PHMSA

- 5** Did the state take direction from and cooperate with PHMSA for all incident investigations conducted on interstate pipelines? Info Only Info Only
Info Only = No Points

Evaluator Notes:

AL PSC is not an interstate agent and does not have a 60106 agreement with PHMSA

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

Evaluator Notes:

AL PSC is not an interstate agent and does not have a 60106 agreement with PHMSA

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

