



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

ARKANSAS 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: Arkansas

Agency Status:

Date of Visit: 05/11/2020 - 05/15/2020

Agency Representative: Robert Henry, Chief, Pipeline Safety

Jerry Harris, Pipeline Safety Coordinator

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

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

Name/Title: Ted J. Thomas, Chairman

Agency: Arkansas Public Service Commission

Address: 1000 Center Street

City/State/Zip: Little Rock, Arkansas 72201

Rating:

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

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
- 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

0
15
10
50
15
4
0

0
15
10
50
15
4
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:

- a. Compared jurisdictional authority, operator types, inspection units and operator & inspection units inspected to previous year. Noted a decrease in the units inspected for distribution, Intrastate transmission & gathering lines. Total units inspected were 9% less from CY2018.
- b. Compared spreadsheet provided by state program manager to inspection activity attachment 2. The total inspections performed were less from previous year.
- c. Compared Attachment 1 & 3 and determined the inspections unit numbers match. In the review of Attachment 3, found Operator Name Bob Anderson did not have an operator ID. Email to program manager determined the ID number was recently assigned by PHMSA on 03-11-2020.
- d. Attachment 4 indicated one incident on 06/20/2019 by CenterPoint Energy. A review of PDM showed two incidents. The second was Arkansas Oklahoma Gas Corporation. The damage amount was \$10,000 and cause listed unknown.
- e. The number of carryovers from 2018 into 2019 do not match. This item was corrected on June 5, 2020 with an email to Carrie Winslow.
- f. Reviewed records list and found they were consistent with the previous year review. No issues
- g. Verification of TQ records indicate six of the eight inspectors are Category II, one inspector is Category II and the other Category III. All inspectors are Gas & IM qualified.
- h. Reviewed and found one amendment that was not adopted. The amendment is 83 F58694. This amendment will need to be adopted by CY2022. Current civil penalty amount is \$200/\$2 M.
- i. A comparison of the previous attachment 10 found a lot of information was a copy and paste. Improvement is needed in updating performance in each of the listed sections.

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

- | | | | |
|---|---|---|---|
| 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 | 5 | 5 |
|---|---|---|---|
- 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

Evaluator Notes:

- a. ARKANSAS PIPELINE SAFETY OPERATION AND INSPECTION PLAN (AR PSO & IP) revised 06-18-2019 was reviewed. All inspection types pertaining to pre-inspection, inspection & post activities were listed under each sub-title pages 2-8.
- b. This inspection is listed under Section VI Integrity Management page 6.
- c. This inspection is listed under API 1162, page 3.
- d. This inspection is listed under Section V Operator Qualification page 5.
- e. This item is listed under Section XII, page 10.
- f. Construction inspections are listed in section VII page 8.
- g. LNG inspections are listed on page 2. AR has one LNG facility that was previously inspected once every calendar year. However, due to the facility being abandoned on December 2018, the LNG inspection will be removed from AR PSC review & procedures manual.

- | | | | |
|---|--|---|---|
| 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 | 4 | 4 |
|---|--|---|---|
- 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?

Evaluator Notes:

ARKANSAS PIPELINE SAFETY OPERATION AND INSPECTION PLAN on page 2 list the requirements in rank risking each inspection. The selection process for each type of inspection to be scheduled is determined by one of the following criteria:

1. Length of time since last inspection
2. Significant change in mode of operation, such as management/personnel.
3. Reported high leakage and lost and unaccounted-for gas.
4. Construction activity, increased or significant.
5. History of the operator.
6. Risk/Threat base data analysis

Additionally, AR PSC has established the following inspection interval schedule; Each master meter and pipeline operator unit shall be inspected at 0-3 calendar year intervals, not to exceed 5 years. Damage Prevention, with emphasis on API 1162, procedures shall be inspected during all standardized gas pipeline inspections. Emphasis shall be placed on the records of line locate receipts and operator's response to line locate notifications made by an excavator to the Arkansas One Call Center. Operators Public Awareness Program is also a part of the standard gas inspection and shall include operators' participation in Arkansas One Call. Review of inspection units provided by Program Manager on 05-07-20 confirm units were 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 | 3 | 3 |
|---|--|---|---|
- 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

Evaluator Notes:

- a. Arkansas Pipeline Safety Operation & Inspection Plan, Section Procedures, page 4, states, "If there were any non-compliance issues found during the inspection, the operator shall be sent a Notice of Probable Violation (NOPV) report detailing each probable violation discovered during the inspection. An operator NOPV report shall be sent to a company officer. A master meter NOPV report shall be sent to the property owner or property management officer. Each probable violation must be clearly documented referencing a specific paragraph in the Code."
 - b. Arkansas Pipeline Safety Operation & Inspection Plan, Section Procedures, page 4, states, " A suspense file has been established to monitor the compliance of all inspection reports. Compliance notification letters are sent to master metered and gas operators notifying them of the required actions and establishing a suspense date, 60 days from the mailing date of the NOPV report. The operator is responsible for supplying a written response to the APSO by the suspense date, explaining its corrective action for each individual probable violation listed in the inspection report. "
 - c. Arkansas Pipeline Safety Operation & Inspection Plan, Section Procedures, page 4, states, "Once an operator has sent in their written response and it has been approved by the Chief, Pipeline Safety and the lead inspector, the inspection report is then closed-out. The operator's written response is attached to the inspection report; the Chief, Pipeline Safety and lead inspector sign the report; and the report is filed in the PSO's closed inspection report filing cabinet. All closed inspection reports shall be scanned into the Pipeline Program database."
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|---|--|---|---|
| 4 | (Incident/Accident Investigations) Does the state have written procedures to address state actions in the event of an incident/accident?
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
|---|--|---|---|
- 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. Arkansas Pipeline Safety Operation & Inspection Plan, Section IX Procedures, page 8, states " Natural gas related incidents jurisdictional to the Commission per 191.5 and directed by the Chief, Pipeline Safety shall be investigated. Prior to performing on-site investigations, it will be determined from the information provided by the operator, local fire/police departments, or the Arkansas State Police Fire Marshall, if an on-site investigation is warranted. If warranted, an on-site investigation shall be conducted to determine if the operator was in violation of the Code and to determine the most probable cause of the incident. The investigation shall be documented in an Incident Report. Procedures did not include after hour reporting of incidents to AR PSC Director and inspectors.
 - b. Yes, discussion with Program Manager on 05-27-20 determined all incidents relative to the Commission per 191.5 will be investigated if it meets the reporting requirements. Information of reportable incidents and third-party damages will be entered into the accident log form and maintained in the AR PSC data base program. Prior to performing on-site investigations, it will be determined from the information provided by the operator, local fire/police departments, or the Arkansas State Police Fire Marshall, if an on-site investigation is warranted. If warranted, an on-site investigation shall be conducted to determine if the operator was in violation of the Code and to determine the most probable cause of the incident.
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|---|--|-----------|-----------|
| 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: 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
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
| | <ul style="list-style-type: none">a. Completion of Required OQ Training before conducting inspection as leadb. Completion of Required DIMP/IMP Training before conducting inspection as leadc. Completion of Required LNG Training before conducting inspection as leadd. Root Cause Training by at least one inspector/program managere. Note any outside training completedf. 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:

a to f. A review of PHMSA TQ Blackboard found all eight inspectors have obtained minimum qualifications for gas inspector. All inspectors have completed the DIMP/TIMP training to be lead inspector. All inspectors including the program manager have completed the LNG and root cause courses.

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|---|--|---|---|
| 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
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
|---|--|---|---|

Evaluator Notes:

Bobby Henry was hired as an inspector in 1983 and became the program manager in 2010. He is knowledge with the pipeline safety program regulations and served on several NAPSRS Task Team committees. Bobby has completed all required training courses at TQ within three years of employment.

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| 3 | 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: 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:

Yes, a review of spreadsheet and access to AR PSC website on inspection reports confirm all operator inspection units for the selected year were performed. Time interval for all inspections is no more than five years. Construction inspections were performed during the standard inspection but not segregated into inspection person day category. It was suggested each construction inspection be listed separately when being performed during other inspections to assess in meeting the 20% inspection person day requirement.

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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:

Yes, AR PSC uses PHMSA forms for all types of inspections. A review of forty-seven inspection reports confirm all sections of the reports were completed correctly.

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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 |
|---|---|---|---|

Evaluator Notes:

Yes. A review of spreadsheet found 4 OQ inspection person days were conducted on CenterPoint Energy Company in CY2019. If an operator changes their O&M Plan they must file with AR PSC within 20 days after the change was made. This is a AR PSC Rule 192.17.

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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. A review of spreadsheet found AR PSC conducted four inspection person days on CenterPoint Energy, two inspection days on North Crossett Utilities, two on Gateway Red Oak-Texarkana, two on Arkansas Oklahoma Gas Transmission and one on Enmark.
- b. This requirement is covered in the Addendum Question number 20 in the Standard Inspection Form.
- c. This requirement is covered in the Addendum Questions number 8 & 10 in the Standard Inspection Form.

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:

These requirements A through E are covered in AR PSC Addendum Questions 1-23 located at the end of the Standard Inspection Form. (a is question 3; b is question 4; c is question 5; d is question 2; e is question 21; f is question 22; g is question 23)

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:

This item is listed in Addendum Questions 22 & 23 at the end of the Standard Inspection form 2.

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
	<ul style="list-style-type: none"> 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. Accessed AR PSC website pertaining to CY2019 inspection reports. Random generated number selected forty-three inspection units reports to be reviewed. The review indicated routine and compliance letters were sent to company officers or manager, probable violations were well documented in the reports and letters. Violations were corrected by operator with a follow-up or response letter to AR PSC Program Manager. All closed letters pertaining to violations being corrected was sent by the Program Manager after action was taken to correct the violation(s).
- b. Yes, all violations were documented in the inspection report and letter to the operator.
- c. Yes
- d. Program manager routinely review all violations within a sixty day schedule.
- e. Yes
- f. Civil penalty was assessed against Razorback Mobile Home Park in CY2015. The civil penalty amount was \$5,000.00
- g. Yes, program manager reviews inspection report after the reports have been checked via peer review.
- h. Yes, compliance action is provided in the letter and if necessary a "show cause" order can be issued.
- i. An exit interview is conducted with the operator on the last day of the inspection or another date arranged with the operator's management personnel.
- j. All final inspection reports are mailed 60 days after the inspection date. A review of AR PSC website confirms this action.

8	(Incident Investigations) Were all incidents investigated, thoroughly documented, with conclusions and recommendations?	10	10
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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. This item is in Arkansas Pipeline Safety Operation and Inspection Plan section IX, Incident Investigation.
- b. Yes, a review of records confirms all notifications were received and filed.
- c. The CenterPoint Energy Resources incident that occurred on 06-20-2019 was not investigated due to it being determined to be third-party damage. Information was obtained from the operator and a decision to not to go to the site was made by the program manager & inspector.
- d-g. No compliance action was necessary due to this being determined to be a third-party damage.
- h. Information from PHMSA AID confirm AR PSC did response to their inquiry about the incident and the final report submitted by the operator.
- i. Yes, information about accidents are shared with other program managers at the NAPS SR SW Region Meeting.

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

Evaluator Notes:

No required response was necessary based on the 2018 State Program Evaluation review results.

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

Evaluator Notes:

In CY2019 AR PSC participated with four other state agencies (LA, TX, AL, MS) in the Five State Joint Seminar in New Orleans, LA. Over four hundred operators attended the five-day meeting. A second TQ seminar was conducted in Little Rock, Arkansas during CY2019. Over 150 operators attended the second seminar.

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

Evaluator Notes:

Yes, this item is listed and reviewed with the operator on AR PSC Standard Inspection form under Addendum Question number 6. A review of inspection reports confirms this item was checked.

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

Evaluator Notes:

AR PSC communication method with the public is via their website. Inspection reports, updates on proposed rules and other events are posted. Link to the AR PSC website for inspection reports is listed below:

<http://www.apscservices.info/pipelinereports/FinalReports.aspx>

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

Evaluator Notes:

One safety related condition report was filed by Black Hills Energy Transmission Company on 03/19/2019. AR PSC was aware of the condition report and monitored the replacement of the pipeline.

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

Evaluator Notes:

Conducted a search on AR PSC activity in WMS and found no instances where they did not respond in CY2019. No issues of concern.

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- 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:

AR PSC has no active waivers. Verification of waivers were reviewed at PHMSA's website.

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

Evaluator Notes:

Yes, file folders were accessible and organized during the CY2018 evaluation review. In discussion with program manager it was determined the filing system has not changed in the last twelve months. Electronic documents requested during this evaluation were well organized with the requested data.

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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?
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
|-----------|---|---|---|

Evaluator Notes:

Bobby Henry is familiar and made changes to SICT in the past. The SICT person days for CY2019 was 524: actual inspection days was 744 with no construction person days. Current SICT is 510: 102 construction person days will need to be performed in 2020 to meet the 20% level.

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

Evaluator Notes:

A review of data found information for AR PSC may conflict with AR Oil & Gas Board. Metric indicated a downward trend in hazardous leaks but an upward trend in leaks scheduled for repair. Excavation damages per 1,000 locate requests are showing a downward trend with the ratio at 6.2 lower than 6.7 in previous year.

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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 = No Points
a. https://pipelinesms.org/
b. Reference AGA recommendation to members May 20, 2019 | Info Only Info Only |
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Evaluator Notes:

Yes, Lane Miller presented information on API RP1173 at the Five State Pipeline Safety Seminar in New Orleans, LA on July 29, 2019

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- | | | |
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| 20 | 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: 50
Total possible points for this section: 50

PART E - Field Inspections

Points(MAX) Score

- 1 Operator, Inspector, Location, Date and PHMSA Representative (enter specifics into the comments box below) Info Only Info Only

Info Only = No Points

- What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc)
- When was the unit inspected last?
- Was pipeline operator or representative present during inspection?
- Effort should be made to observe newest state inspector with least experience

Evaluator Notes:

Operator - CenterPoint Energy, Forrest City, Arkansas

Inspector - Jerry Harris, Pipeline Safety Coordinator

PHMSA - Glynn Blanton, State Evaluator

a. Cathodic protection inspection

b. May 21, 2019

c. Yes, Tim Ballard, CP Technician & Tony Morgan, Service Tech.

d. Yes, Jerry Webb was selected based on his experience and type of inspection requested.

- 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, Jerry Harris used AR PSC Standard Inspection form to record readings and compliance with pipeline safety regulations.

- 3 Did the inspector adequately review the following during the inspection 10 10

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

- Procedures (were the inspector's questions of the operator adequate to determine compliance?)
- Records (did the inspector adequately review trends and ask in-depth questions?)
- Field Activities/Facilities (did inspector ensure that procedures were being followed, including ensuring that properly calibrated equipment was used and OQ's were acceptable?)
- Other (please comment)
- Was the inspection of adequate length to properly perform the inspection?

Evaluator Notes:

a. Yes, Mr. Harris asked questions about the pipe-to-soil readings as they were being taken by Mr. Morgan to insure the results were equal to or greater than -0.85 mv's.

b. Mr. Harris had previously reviewed the cathodic protection records prior to the field review.

c. Yes, observed Mr. Harris checking the operator's pipe-to-soil meter and half-cell equipment during the field readings being conducted for calibration.

d. Mr. Harris was observed identifying a pipeline crossing the operator had failed to place pipeline markers.

e. Yes, length of the inspection was adequate and encountered rain on the first day of the field inspection.

- 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, Mr. Harris is an experienced inspector and conducted a professional inspection. He observed safety rules and was required to wear a mask during the entire inspection audit. This requirement was established by the State of Arkansas due to COVID -19.

- 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, at the end of the two-day inspection audit an exit interview was conducted with Mr. Ballard and Mr. Morgan.

- 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:

- a. No unsafe conditions were observed or performed during the field inspections.
b. Observed cathodic protection readings being taken and monitoring the location of pipeline markers at road way crossings.
c. Operator personnel performed several safety checks during the field portion of the audit. They informed the property owners of their presents when taking readings at the meter sets.
-

- 7 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: 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:

Program Manager reviews annual reports for accuracy and compares data to previous year. If an error is found, contacts the operator requesting data be corrected and submit a supplemental report. After corrections have been made, information is used to create the AR PSC Pipeline Data Report. The report provides multiple charts and graphs showing the trends for all items listed in the annual report. The reports are listed at. <http://www.apscservices.info/PSOdata.asp>

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

AR PSC receives a report from each operator listing the root cause and party that damaged their facilities daily. An invoice for damages is send to the party from the operator along with a letter from AR PSC informing the individual or company representative of their failure to not follow AR Underground Facilities Damage Prevention Act. The operators are maintaining a list of the excavators who have repeatedly damaged their facilities. They are acting to correct this behavior by having meetings with the excavator or requiring training for their individuals.

- | | | | |
|----------|---|---|----|
| 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. Yes, a review of AR PSC 2012-2019 Pipeline Data Reports located on their website, confirm root cause of excavation damages are being listed.
- b. Yes, AR PSC Pipeline Data Reports have evaluated One call notifications practices not sufficient.
- c - f. Yes, AR PSC Pipeline Data Reports have evaluated each of the causes listed under Part D.1.b of the annual report.

- | | | | |
|----------|---|---|---|
| 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.b. Has the state verified the operator is appropriately focusing damage prevention education and training to stakeholders causing the most damages? | 2 | 2 |
|----------|---|---|---|

- 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. Information obtained from annual reports and operators daily damage reports show "Third party excavators" are causing the highest number of damages to gas pipeline facilities in the State of Arkansas.
- b. Yes, the operators are providing letters to individuals and contractors about preventing damages to their facilities. Public announcements and brochures are distributed at meetings and in compliance documents.
- c. AR PSC has determined from their Pipeline Data Reports and daily damage reports from operators, excavation damages are occurring due to third party excavators digging with mechanical equipment within the tolerance zone.
- d. Yes, operators are participating in multiply One Call meetings with contractors and at the AR One Call 811 Summit.

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:

AR 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:

AR 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:

AR 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:

AR 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:

AR 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:

AR 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