



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

Louisiana Department of Natural Resources

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: Louisiana

Agency Status:

Date of Visit: 01/01/1900 - 01/01/1900

Agency Representative: Michael Peikert, Assistant Director

PHMSA Representative: Don Martin

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

Name/Title: Richard Ieyoub, Commissioner

Agency: Louisiana Department of Natural Resources-Office of Conservation

Address: 617 North Third Street

City/State/Zip: Baton Rouge, Louisiana 70802

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
44
15
4
0

TOTALS

94 88

State Rating 93.6

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., (b. and (c. - Spreadsheets with operator listing by type, inspection report listing with inspection person days charged and a spreadsheet showing each operator unit along with the expected date for inspection to meet interval. This information was compared with the entries on Attachments 1, 2 and 3 of the Progress Report. No issues; however, a review of operator information in the Pipeline Datamart (PDM) suggests that the LADNR should review the PDM information.

(d. - Attachment 4 shows two incidents while the PDM shows five incidents.

The incident information for Attachment 4 is entered by PHMSA through downloading in Incident information in the PDM. However, if an incident occurs on a date near the end of the calendar year, the incident may not be shown in the PDM until the following calendar year when the 30 day written report is submitted. This can cause a difference between Attachment 4 calendar year (2019) and the PDM past January of the next calendar year (2020).

(e. - Attachment 5 information was consistent with a spreadsheet provided that showed inspection reports with citations found, reports with corrected citations and reports with civil penalties assessed. No issues.

(f. Records kept were the same as 2018.

(g. TQ's Blackboard training records system was reviewed. Minimum training requirements were reviewed to verify Inspector Categories. No issues.

(h. The LA DNR has automatic authority to adopt changes in federal pipeline safety regulations. No issues.

(i. Attachment 10 was not a copy of 2018.

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 |
| | <ul style="list-style-type: none"> 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:

The LADNR's INSPECTION GUIDANCE document, revised 3/25/2020, was reviewed for Part B (a. through (g. The guidance describes Pre-inspection, Inspection activity, and Post-inspection activities. The activities are the same for all inspection types. If an activity is specific to an inspection type, it is included in the inspection type procedure.

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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 | 4 | 4 |
| | <ul style="list-style-type: none"> 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:

The LADNR's guidance meets the requirement for prioritizing inspection units. The guidance includes the following statement: "If an inspection indicates portions of the operators' system is not being properly operated and maintained as required by the written procedures. Other means of criteria utilized for both Comprehensive (Standard) and Specialized inspections may be based upon the risk analysis (risk model developed by LDNR) for the operator's system and operations. This risk based approach could be based upon the inspectors' records, operators' records, historical high risk areas, past operator performance in those areas, etc. Non-routine activities undertaken by the operator such as construction, change of personnel, acquisitions and mergers, and significant changes, etc. in procedures would be activities which could require an inspection prior to the scheduled annual inspection." Inspection Units are broken down appropriately.

In addition to the prioritization guidance, the LADNR has established maximum intervals as follows:

Standard - 3.1.2.3 - A comprehensive review of all components should be completed every four and one-half (4 1/2) years, not to exceed 60 months.

Operator Qualification - 4.4 - These are inspections of an operator's written plans, records, and employee KSAs using the Federal Protocol Elements.

4.4.1 The OQ - HQ re-inspection frequency is up to 5 years, unless the Director determines more frequent HQ inspection is warranted. Inspectors will periodically perform Protocol 9 inspections

Integrity Management - 4.3.1 - The IM ? HQ inspection frequency is up to 5 years, unless the Program Manager determines more frequent HQ inspection is warranted. Inspectors will periodically perform field verification for this code section, i.e. record keeping, field verification of HCA's, remediation practices instituted by the operator, etc., as determined by the Program Manager.

Operator Training ? 4.2 ? Operator Training presentations can be prompted by, but not limited to, a request by the operator, a

change in the regulations, a change in policies and procedures, change of operator personnel, or initiated by LDNR/Pipeline Safety. Performed as needed.

Construction ? 4.1 - These are conducted on an as needed basis and at the discretion of the manager and individual inspector in the field. Most, but not all, inspections are prompted by receipt of a Notice of Construction from the operator, as required under LAC 43: XIII. 1705 (Part 192.305) and LAC 33: V. 30204 (Part 195.204). (See enclosed Notice of Construction form). NEEDS REVISION TO REFLECT MINIMUM 20% OF INSPECTIONS WILL BE CONSTRUCTION.

Drug and/or Alcohol Inspections - 4.8 - HQ inspection frequency is up to 5 years, unless the Program Manager determines more frequent HQ inspection is warranted. These type inspections, conducted under Part 199, are comprehensive in nature for the headquarters inspections while the field inspections are less comprehensive and unless otherwise stated are counted as Standard Inspections. Once a headquarters inspection is conducted, the inspectors will periodically check for specialized code sections, i.e. random testing, pre-employment testing, record keeping, testing procedures, etc.

4.8.1 Drug and Alcohol - inspections completed (number of operators) will be kept and noted on Attachment 2 of the annual progress report (will be counted as Standard until PHMSA directs otherwise)

Public Awareness Program Effectiveness Evaluation - 4.9 - HQ inspection frequency is up to 5 years, unless the Director determines more frequent HQ inspection is warranted.

These are inspections of an operator's written plans, program implementation, annual program audits, and 4-year effectiveness evaluation using the Federal Inspection form. Field Managers determines if more frequent HQ inspection is warranted. Follow-up PAPEE will be performed at 5-years intervals after initial PAPEE Inspection

LNG - 3.1.2.4 A LNG facility inspection will be performed at least once every 30 months not to exceed 36 months.

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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:

B.3 (a. - The LADNR has established procedures describing the steps to execute non-compliance actions and communicate the issues to operators. Non-compliance letters to operators provide a description of the steps. LADNR's enforcement steps are contained in State Statute - Title 43 - NATURAL RESOURCES

Part XI. Office of Conservation--Pipeline Division

Subpart 3. Pipeline Safety

Chapter 5. Pipeline Safety

?501 Paragraph - C. Service upon a person's duly authorized representative, officer or agent constitutes service upon that person.

B.3 (b. - The LADNR's inspection and compliance database system provides information to monitor the progress of the steps until the inspection file is closed.

B.3 (c. - LADNR Inspection Guideline Section 4.7 and 4.7.1 satisfy closing outstanding probable violations.

4.7 Re-Inspections (Compliance Follow-up) - inspections or evaluations to see if actions are completed as requested to an operator from a previous inspection or ordered in compliance action. This is a re-inspection of that portion of an operator's system that was cited for a non-compliance noted during an inspection.

4.7.1 The re-inspection is conducted, within a reasonable amount of time, after the expiration of the time allowed to achieve compliance (normally 90 days), unless an extension is granted or time constraints to complete initial inspections prevents scheduling re-inspections. Periodic re-inspections should continue until complete compliance is achieved or such further action is taken by the Pipeline Division.

- 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:

The LADNR's INSPECTION GUIDANCE document, revised 3/25/2020, was reviewed for Part B.4. Section 4 specifically addresses (b).

The LADNR's website contains the mechanism to satisfy (a).

No issues.

5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

There were no deficiencies found that warranted any reduction in points.

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:

PHMSA Training and Qualifications Blackboard training records system was reviewed. There were no individuals that have not met the minimum training requirements within the required timeframes. All but four inspectors have completed OQ training requirements. All but six inspectors have completed the DIMP training requirements. Five of the inspection staff have completed the TIMP training requirements. Root cause training requirement is met. No issues.

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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 |
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Evaluator Notes:

Program Manager was an engineer in the pipeline safety office since 2004. He was named program manager in August, 2017. Michael has knowledge of regulations, required records and submittals for the pipeline safety program. Michael has completed all of the training required in the Guidelines. No Issues.

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| 3 | General Comments:
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

There were no deficiencies found that warranted any reduction in points.

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 | 0 |
| | <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:

The following did not meet five year interval:

Comprehensive (Standard) - Magnolia Natural Gas, LLC Lake St. John and Lake Bruin, Louisiana Generating LLC (Tucker Energy Solutions), Renewable Energy of Jefferson LLC, White Oak Operating Company, LLC, Enterprise Products Operating LLC

DIMP Inspections - JPC Energy
Elizabeth Natural Gas, Inc., JPC Energy Starks Water and Gas Co., The Nezpique Gas System, Inc., Baker, City of, Baldwin, Town of, Berwick, Town of, Carencro, City of, Clinton, Town of, Donaldsonville, Town of, Franklinton, Town of, Grand Coteau, Town of, Greensburg, Town of, Jena, Town of, Krotz Springs, Town of, Maringouin, Town of, Morgan City, City of, Morganza, Town of, New Roads, City of, Patterson, City of, Port Allen, City of, Port Barre, Town of, Provencal, Town of, Slaughter, Town of, St. Francisville, Town of, Sunset, Town of, Washington, Town of.

OQ Inspection - Stroud Petroleum, Inc, White Oak Operating Company, LLC

Public Awareness - Nineteen gas operators are past time interval. Five points are deducted.

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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:

The LADNR conducts a review of forms at the beginning of each year to verify that changes in code requirements are included on its inspection forms. Questions on the LADNR's Comprehensive (Standard) Inspection Form were compared to the federal standard inspection forms (Distribution and Transmission). No discrepancies were found. The LADNR utilizes the federal inspection forms for all other inspection types. Link to document section in website was received. Upon reviewing inspection information for 20% of operators, no deficiencies in code requirements was found.

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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:

Reviewed spreadsheet detailing inspections completed during 2019. The LADNR conducted 61 Operator Qualification Inspections which involved 95 inspection person days. One operator's OQ inspection exceeded interval.

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| 4 | <p>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</p> <p>Yes = 2 No = 0 Needs Improvement = 1</p> <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? | 2 | 1 |
|---|---|---|---|

Evaluator Notes:

Reviewed spreadsheet detailing inspections completed during 2019. During 2019, the LADNR conducted TIMP for 19 Operators with 115 Inspection Person Days and 68 Distribution Operators with 343 Inspection Person Days. However, refer to Question D.1. Several DIMP inspections are past the time interval. One point is deducted.

(a. Three largest operators are Entergy New Orleans/Baton Rouge, Atmos and Centerpoint Energy. Transmission systems within these operator's systems are limited in quantity which may not require assessments annually; however, the LADNR schedules based upon assessment activity.

(b. - This requirement is covered on Page 17 of the Comprehensive Inspection Form.

(c. Entergy New Orleans is the only operator in state that operates low pressure system(s) in LA. The LADNR has plans to initiate the verification in 2020 since this requirement was recently added to the Guidelines and Evaluation Form. Because it is a recent addition, it is not scored for CY2019 evaluations.

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| 5 | <p>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</p> <p>Yes = 2 No = 0 Needs Improvement = 1</p> <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? | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

(a. - there is a question on the LADNR's form, Page 34, that is completed during each Standard Distribution Inspection.

(b. - covered on Page 45 of the Comprehensive Inspection Form.

(c. - covered on Page 11 of the Comprehensive Inspection Form.

(d. - covered on Page 6 of the Comprehensive Inspection Form.

(e. - covers this regulatory requirement on Page 10 of its Comprehensive (Standard) Inspection for Gas Transmission and Distribution operators.

(f. Operator procedures for considering low pressure distribution systems in threat analysis? This was added to Guidelines on 1/1/2020 - LADNR has scheduled verification.

g. Operator compliance with state and federal regulations for regulators located inside buildings? This was added to Guidelines on 1/1/2020 - LADNR has scheduled verification.

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:

Advisory Bulletins since last evaluation:

May 2, 2019 - Docket No. PHMSA?2019?0087 - Pipeline Safety: Potential for Damage to Pipeline Facilities Caused by Earth Movement and Other Geological Hazards
April 11, 2019 - Docket No. PHMSA?2019?0047 - Pipeline Safety: Potential for Damage to Pipeline Facilities Caused by Flooding, River Scour, and River Channel Migration
The LADNR used the continuing surveillance portion of the inspection form to cover potential damage from external forces which is the concern in these two Advisory Bulletins.

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
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- 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:

Inspection files for 20% of operators, 61 Operators, were reviewed. 39 of the operators received at least one inspection during CY2019. Of the 39, 10 inspections resulted in probable violations found. The report files for the 10 inspections were reviewed for follow through on the enforcement process. No deficiencies were found.

8	(Incident Investigations) Were all incidents investigated, thoroughly documented, with conclusions and recommendations? Yes = 10 No = 0 Needs Improvement = 1-9	10	10
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- 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. See Question B.4
- b. Records kept were adequate.

- c. The records demonstrated that all reportable incidents were investigated on-site.
- d. and e. Observations and contributing factors were documented on the LADNR's investigation form.
- f. If probable violations are found, compliance action is taken.
- g. During 2019, no probable violations were identified for the two incidents; therefore, no recommendations were provided.
- h. Response from AID stated LADNR's performance was acceptable.
- i. Yes, the LADNR discusses incidents and lessons learned during its "state of the state" presentation at the NAPS Region Meeting.

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| 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:

The LA DNR responded in 35 days. The Commissioner noted and addressed the deficiencies.

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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 = No Points | Info Only | Info Only |
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Evaluator Notes:

The LA DNR holds a pipeline safety seminar annually, normally in July.

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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 = No Points | Info Only | Info Only |
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Evaluator Notes:

This requirement is covered on Page 4 of the Comprehensive Inspection Form. All inspection forms reviewed confirmed this was performed.

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

The LA DNR communicates with Stakeholders through its Website, Damage Prevention Conference, Louisiana Gas Association meetings twice each year, Public Awareness Liaison routinely through state, LA Mid Continent OG Midstream Committee. The public can access inspection reports and updated rules on its website, including a mobile friendly layout.

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| 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:

There are no SRC reports for Louisiana intrastate gas operators in the Pipeline Datamart for the calendar year of 2019.

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| 14 | Was the State responsive to:
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? | 1 | 1 |
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Evaluator Notes:

The LADNR's activity in WMS was searched. There were no instances found where the LADNR did not respond during CY2019.

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

The LADNR has no active waivers.

16 Were pipeline program files well-organized and accessible?

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No issues were found with the organization of hard copy file during the CY2018 evaluation. The LADNR has not changed the filing system since then. In conducting the CY2019 evaluation, it is apparent that the electronic files are easily accessible and organized.

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:

From a discussion with Michael, he has a good understanding of the SICT and uses a reasonable approach in utilizing it. There were no major issues identified during peer review other than concern about construction days. Minimum total days - 1372 for CY2019 SICT. Actual: 1631 total - Conducted 145 days of construction inspections (9.8%). Minimum total days of 1438 for CY2020. Construction will need to be 20% of the CY2020 minimum.

18 Discussion on State Program Performance Metrics found on Stakeholder Communication site.\ <http://primis.phmsa.dot.gov/comm/states.htm?nocache=4805>

Info Only = No Points

Evaluator Notes:

A review was conducted of the performance metrics contained in the Pipeline Data Mart. The review was discussed in conference call with program manager. Most metrics are acceptable at this time. Gas pipeline inspector qualification has been impacted considering the number new inspector hired and the time required to complete training course. Excavation damages are trending in a slightly negative direction but improved in 2018. The LA DNR is aware of this trend and has placed higher priority on enforcement activity now that the LA DNR has authority over damage prevention enforcement.

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:

The LADNR has encouraged the use of Safety Management Systems and API RP1173 with operators during its annual pipeline safety seminar.

20 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

Question D.1 - The following did not meet five year interval:

Comprehensive (Standard) - Magnolia Natural Gas, LLC Lake St. John and Lake Bruin, Louisiana Generating LLC (Tucker Energy Solutions), Renewable Energy of Jefferson LLC, White Oak Operating Company, LLC, Enterprise Products Operating LLC

DIMP Inspections - JPC Energy Elizabeth Natural Gas, Inc., JPC Energy Starks Water and Gas Co., The Nezpique Gas System, Inc., Baker, City of, Baldwin, Town of, Berwick, Town of, Carencro, City of, Clinton, Town of, Donaldsonville, Town of, Franklinton, Town of, Grand Coteau, Town of, Greensburg, Town of, Jena, Town of, Krotz Springs, Town of, Maringouin, Town of, Morgan City, City of, Morganza, Town of, New Roads, City of, Patterson, City of, Port Allen, City of, Port Barre, Town of, Provencal, Town of, Slaughter, Town of, St. Francisville, Town of, Sunset, Town of, Washington, Town of.

OQ Inspection - Stroud Petroleum, Inc, White Oak Operating Company, LLC

Public Awareness - Nineteen gas operators are past time interval. Five points are deducted.

Question D.4 - Reviewed spreadsheet detailing inspections completed during 2019. During 2019, the LADNR conducted TIMP for 19 Operators with 115 Inspection Person Days and 68 Distribution Operators with 343 Inspection Person Days. However, refer to Question D.1. Several DIMP inspections are past the time interval. One point is deducted.

Total points scored for this section: 44
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

- 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:

- The LADNR conducted an inspection of facilities including cathodic protection testing and valve operation on September 24, 2020. Tina Williams, LADNR, was the lead inspector on this day. The operator was Energy Transfer Company (ETC). ETC's facilities were near Minden, LA. ETC has five inspection units in the Minden area. On this day, the LADNR was inspecting the 12 inch ALIP gas transmission pipeline that originates at ETC's gas processing plant. Operation and Maintenance Procedures that cover all of ETC's units were reviewed at an earlier date. The records review was also completed at an earlier date.
- A Standard Inspection was conducted on this unit on 9/20/2017. It was operated by Associated Louisiana Intrastate Pipe Line, LLC at that time.
- ETC was represented by Robert Clements, Operations Manager.
- Inspector observed was not most senior inspector.

- 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:

This inspection was focused primarily on cathodic protection testing and valve operation. A checklist was required for the observations on this day. The inspector was using a form designed to capture test readings and results of operating valves. This information will be used to document whether the operator complied with certain questions on the inspection form which is an appropriate form for Standard Inspections of a Gas Transmission pipeline.

- 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:

- NA, no procedures were reviewed during observation.
- NA, no records were reviewed during observation.
- Yes, the inspector was thorough during this portion of the inspection.
- Yes, for cathodic protection testing and valve operation. The activity on this day was a small portion of the Standard Inspection which has been conducted over multiple weeks.

- 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, although the focus was on cathodic protection testing and valve operation, the inspector took time to observe other items for compliance such as atmospheric corrosion of above ground pipe, sufficient pipe support, signs, markers, etc. The inspector also verified the appropriate calibration of testing equipment used by the operator.

- 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, an exit interview was provided by the inspector for the inspection activities during this day and other activities for the full week. No compliance issues were identified for this day of activity.

- 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. The inspector utilized proper personal protection equipment and facial mask during the inspection.
(b. Cathodic protection testing and valve operation, atmospheric corrosion of above ground pipe, sufficient pipe support, signs, markers, etc.
(c. None were identified.
(d. NA

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

Evaluator Notes:

There were no issues identified that resulted in the loss of points.

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:

The LADNR reviews annual reports for accuracy and differences from previous years. Some errors are normally found each year, especially with small operators. Errors are discussed with operators and they are requested to correct and re-submit annual report. The LADNR focuses on lost and unaccounted for and trends on damages, leak repairs mechanical fitting failures. etc.

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

The LADNR is aware of this important consideration of damage prevention. The LADNR also has reviewed the Louisiana Excavation Damage Worksheet provided by PHMSA's David Appelbaum. The LADNR described their plan in 2019 to communicate with operators that are included in Special Attention Areas. The LADNR plans to work with these operators to implement improvement strategies.

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

During a conference call on April 14, 2019, the LADNR described its review of Damage Prevention information reported in Part D of operators' annual reports. The LADNR also reviews Part C information at the same time. 1.01.02 of The LADNR's "PROCEDURES FOR ASSESSING PROGRAM EFFECTIVENESS states: 1.0.2 Annual Report ? The annual reports (Part C & Part D) will be used for determining trends for damages per 1000 tickets and trends by root cause (One Call Insufficient, Locating Insufficient, Excavation Practices Insufficient, Other). These will be developed on a statewide basis and by operator. Charts are developed for damages, locates and damages/1000 locates.

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

The LADNR's "PROCEDURES FOR ASSESSING PROGRAM EFFECTIVENESS

(LA Underground Utilities and Facilities Damage Prevention Law)" was reviewed. The LADNR has trended data for 2015 to 2018 for the entire state. The data includes Tickets, Damages, One Call Notification Insufficient, Locating Practices Insufficient, Excavation Practices Not Sufficient, Other and Damages/1000 Locates. The LADNR also trends specifically the damages for operators that receive over 5000 locate requests utilizing the same data as the analysis for the entire state.

5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

There were no deficiencies found that resulted in a deduction of points.

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:

The LA DNR 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:

The LA DNR 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:

The LA DNR 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:

The LA DNR 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:

The LA DNR 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:

The LA DNR 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