

**PHMSA UNDERGROUND NATURAL GAS STORAGE (UNGS)
OKLAHOMA CC PROGRAM EVALUATION – CY2020
CONDUCTED 10/12-21/2021**

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TOTAL PROGRAM EVALUATION POINTS	100 of 100 (113)

PHMSA UNGS STATE PROGRAM EVALUATION – CY2020

A – PROGRESS REPORT AND PROGRAM DOCUMENTATION REVIEW THIS SECTION ANALYZES ACCURACY AND COMPLETENESS OF ANNUAL PROGRESS REPORT		SCORE
1	Accuracy of Jurisdictional Authority and Operator/Inspection Units Data – Progress Report Attachment 1 (Yes= 1 point, No= 0 Points, NI=.5 point) Comments: Yes. Attachment 1 is consistent with Attachment 3 & 8 and is consistent with program records.	1
2	Review of Inspection Days for accuracy – Progress Report Attachment 2 (Yes= 1 point, No= 0 Points, NI=.5 point) Comments: Yes. 15 total days spread between 2 inspectors, were 2 inspections in 2020.	1
3	Accuracy verification of Operators and Operators Inspection Units in State – Progress Report Attachment 3 (Yes= 1 point, No= 0 Points, NI=.5 point) Comments: Yes. 4 Operators and 4 Units; is consistent with program records.	1
4	Accuracy verification of Compliance Activities – Progress Report Attachment 5 (Yes= 1 point, No= 0 Points, NI=.5 point) Comments: Yes. Reviewed the violation correspondence that bridged 2019 to 2020. Attachment 5 is consistent with program records.	1
5	Were UNGS program files well-organized and accessible? - Progress Report Attachment 6 (Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. All necessary files are electronic and were available for review.	2
6	Was employee listing and completed training accurate and complete? – Progress Report Attachment 7 (Yes= 1 point, No= 0 Points, NI=.5 point) Comments: Yes. 2 Supervisors and 2 inspectors have completed the UNGS Class.	1
7	Verification of Part 192 and 199 Rules and Amendments – Progress Report Attachment 8 (Yes= 1 point, No= 0 Points) Comments: Yes. OK has automatic adoption of applicable Federal Regulations.	1
8	List of Planned Performance - Did State describe accomplishments on Progress Report in detail – Progress Report Attachment 10 (Yes= 1 point, No= 0 Points, NI=.5 point) Comments: Yes. Program goals and reports were well presented in Attachment 10.	1
9	General Comments: Dana Murphy, Chairman, PO Box 52000, OCC, OKC OK 73152-2000. Dennis Fothergill, Pipeline Safety Manager, same address. UNGS PROGRESS REPORT REVIEW score is 49 of 50: Civil Penalties were \$100K/\$1M. No incidents were reported in UNGS for 2020, Civil Penalties were increased to \$200K/\$2M and will become effective on Nov 1, 2021. Part A scored 9 of 9 points.	9

B – PROGRAM INSPECTION PROCEDURES Does State Inspection Plan include procedures that address the following elements? (See Guidelines Section 5.1)		
1	<p>Does State have written inspection procedures? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes. UNGS was added into the existing Pipeline Procedures.</p>	2
2	<p>Standard Inspections</p> <p>Do Standard Inspection procedures give guidance to State inspectors that insure consistency for inspections conducted by the State? The following elements should be addressed at a minimum. (Review of Procedures, Records, or Field Items to complete a PHMSA UNGS IA Question Set (RESERVOIR or CAVERN) – 2019.12.31)</p> <ul style="list-style-type: none"> • Pre-Inspection Activities • Inspection Activities • Post Inspection Activities <p>(Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes. See Page 5 & 6 for Pre; inspection; and Post Activities.</p>	2
3	<p>Integrity Management Inspections</p> <ul style="list-style-type: none"> • Do Integrity Management Inspection procedures give guidance to State inspectors that insure consistency for inspections conducted by the State? The following elements should be addressed at a minimum. (Integrity Testing and Maintenance: Observing Integrity Testing (Tubing, Casing, Cement), reservoir integrity monitoring, & FLIR Camera inspections.) • Pre-Inspection Activities • Inspection Activities • Post Inspection Activities <p>(Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes. See Page 5 & 6 for Pre; inspection; and Post Activities.</p>	2
4	<p>Design, Testing, and Construction Inspections</p> <p>Do Design, Testing, and Construction Inspection procedures give guidance to State inspectors that insure consistency for Inspections conducted by the State? The following elements should be addressed at a minimum. (Review of procedures, records, and field activities to complete PHMSA UNGS IA Question Set (RESERVOIR or CAVERN CONSTRUCTION) – 2019.12.31. Inspection activities for well design, drilling and completion activities, well workover, reservoir maintenance/repair activities, and abandonment (Plugging and cementing), temporary abandonment, and restoration.)</p> <ul style="list-style-type: none"> • Pre-Inspection Activities • Inspection Activities • Post Inspection Activities <p>(Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes. See Page 5 & 6 for Pre; inspection; and Post Activities.</p>	1

5	<p>Wellhead Inspections</p> <p>Do Wellhead Inspection procedures give guidance to State inspectors that insure consistency for Inspections conducted by the State? The following elements should be addressed at a minimum.</p> <ul style="list-style-type: none"> • Pre-Inspection Activities • Inspection Activities • Post Inspection Activities <p>(Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes. OCC has no specialized Wellhead Inspections; they are addressed as part of the UNGS Standard Inspection.</p>	1
6	<p>Drug and Alcohol Inspections</p> <p>Do Drug and Alcohol Inspection procedures give guidance to State inspectors that insure consistency for Inspections conducted by the State? The following elements should be addressed at a minimum. (Using AI to complete the federal Comprehensive Drug and Alcohol program (Form 3.1.11). Includes time conducting joint inspections with other agencies for this type of inspection.)</p> <ul style="list-style-type: none"> • Pre-Inspection Activities • Inspection Activities • Post Inspection Activities <p>(Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes. See Page 5 & 6 for Pre; inspection; and Post Activities.</p>	1
7	<p>Does inspection plan address inspection priorities of each inspection unit, based on the following elements?</p> <ul style="list-style-type: none"> • Length of time since last inspection (Within five-year interval per inspection unit) • Operating history of operator/unit and/or location (includes leakage, incident, Integrity Testing, and compliance activities) • Type of activity being undertaken by operators in inspection units (i.e. construction) • Locations of operator's inspection units being inspected - (Geographic area, Population Density, etc.) • Process to identify high-risk inspection units considering integrity threats • Are inspection units broken down appropriately? <p>(Yes= 5 points, No= 0 Points, NI=1-4 points)</p> <p>Comments: Yes. See Page 7, 8, & 11 for length of time, and other considerations for the various inspection types.</p>	5
8	<p>General Comments: Part B scored 14 of 14 points.</p>	14

C – PROGRAM PERFORMANCE		
1	<p>Was ratio of Total Inspection Person-Days to Total Person-Days acceptable? (Chapter 4.2)</p> <p>A = Total Inspection Person Days (Attachment 2) B = Total Inspection Person Days Charged to the program (220 x Number of Inspection person years from Attachment 7) Ratio = A/B If Ratio >= .38 then score = 5 points. If Ratio < .38 then score = 0 points. (Yes= 5 points, No= 0 Points) Comments: 15 inspection days, 220*0.1=22 Inspector person days, 15/22=.68 >.38, okay</p>	5
2	<p>Has each Inspector and Program Manager fulfilled the TQ Training Requirements? (See Guidelines Appendix C for requirements and Chapter 4.3.1) (Yes= 5 points, No= 0 Points, NI=1-4) Comments: Yes. 2 Supervisors and all 4 inspectors have completed the UNGS Class and D&A Class.</p>	5
3	<p>Does State use the PHMSA Inspection Assistant (IA) program to document inspections? (Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes, mostly. UNGS Standard inspections are in IA and many of the D&A & PAPEI that are associated with UNGS are . Discussed that all UNGS related inspections need to be in IA.</p>	2
4	<p>Did records and discussions with Program Manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 (Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. Dennis is a fully skilled Program Manager.</p>	2
5	<p>Did State respond to PHMSA's Evaluation Letter within 60 days and correct or address any noted deficiencies? Chapter 8.1 (Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. The letter from PHMSA was dated 11/3rd but was not received until Zack sent Dennis an email on 11/18th. Response was 1/4, which is within 60days counting from Nov 18th.</p>	2
6	<p>Did State inspect all types of operators and inspection units in accordance with time intervals established in their written procedures? Chapter 5.1 (Yes= 5 points, No= 0 Points, NI=1-4 points) Comments: Yes. This is the second year of the UNGS Program with OK CC. Initial UNGS Standard inspections have been performed and D&A inspections have been performed. OCC procedures allow up 5 years between inspections.</p>	5
7	<p>Did State Inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Chapter 5.1 (Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. The Federal forms have been used and 2020 work was done in IA.</p>	2
8	<p>Did State complete all applicable portions of inspection forms? (Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. The Form was filled out with necessary comments.</p>	2
9	<p>Has the State reviewed Operator Annual reports, along with Incident reports, for accuracy and analyzed data for trends and operator issues? (Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. Verified that all Operators submitted annual reports. Verified that what was reported matched State Records. Trending analysis is still premature.</p>	2

10	<p>Is the State verifying operators are conducting drug and alcohol tests required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199</p> <p>(Yes= 2 points, No= 0 Points, NI= 1 point)</p> <p>Comments: Yes. D&A is covered through the Pipeline Program. UNGS Applicable D&A are being done in IA.</p>	2
11	<p>Does the State have a mechanism for communicating with stakeholders regarding the inspection and enforcement program? (This should include making enforcement cases available to public).</p> <p>(Yes= 1 points, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes. OCC website, Bi-Annual Pipeline Safety Meetings, Open records Requests, email, & phone.</p>	1
12	<p>Did State execute appropriate follow-up actions to Safety Related Condition Reports (SRCR)? Chapter 6.3</p> <p>(Yes= 1 points, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes. There was one SRC in 2019, but none since.</p>	1
13	<p>Did the State participate in/respond to surveys or information requests from PHMSA?</p> <p>(Yes= 1 points, No= 0 Points, NI=.5 point)</p> <p>Comments: Yes. Whenever requested.</p>	1
14	<p>Did the State forward any potential waivers/special permits to PHMSA for review prior to issuing them to operators?</p> <p>(Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: NA. None for UNGS. Have procedures to handle them.</p>	NA
15	<p>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.</p> <p>(Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: NA. None for UNGS. Have procedures to handle them.</p>	NA
16	<p>General Comments: Part C scored 32 of 32 points. Two questions were NA: 14, & 15.</p>	32

D – COMPLIANCE ACTIVITIES		
1	<p>Does the State have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1</p> <ul style="list-style-type: none"> • Procedures to notify an operator (company officer) when a noncompliance is identified (60105 States) • Procedures to routinely review progress of compliance actions to prevent delays or breakdowns • Procedures regarding closing outstanding probable violations <p>(Yes= 4 points, No= 0 Points, NI=1-3 points) Comments: Yes. See Procedures, pages 12 & 13.</p>	4
2	<p>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</p> <ul style="list-style-type: none"> • Were compliance actions sent to company officer or manager/board member if municipal/government system (60105 States)? • Document probable violations • Resolve probable violations • Routinely review progress of probable violations <p>(Yes= 4 points, No= 0 Points, NI=1-3 points) Comments: Yes. Compliance Procedures were used in both 2019 Compliance actions, including the one that carried over into 2020.</p>	4
3	<p>Did State within 30 days of the end of an inspection conduct a post-inspection briefing with the owner or operator of the UNGS facility inspected outlining any concerns identified during the inspection?</p> <p>(Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. It is OK CC policy to provide a verbal closing at the end of each inspection, and it is noted in the inspection file.</p>	2
4	<p>Did State within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection?</p> <p>(Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. It is OK CC policy to send a Compliance letter within 90 days. The two 2019 Compliance letters were sent in 13 & 14 days after the Inspection.</p>	2
5	<p>Did the State issue compliance actions for all probable violations discovered (60105 States)?</p> <p>(Yes= 2 points, No= 0 Points, NI=1 point) Comments: Yes. Three issues were found and shown in the 2019 Compliance letters. No violations were found in 2020.</p>	2
6	<p>Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary (60105 States).</p> <p>(Yes= 2 points, No= 0 Points) Comments: Yes. All options were made available to the Operators.</p>	2

7	<p>Is the Program Manager familiar with State process for imposing civil penalties (60105 States)? (describe any actions taken) (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes. Dennis is very familiar with OK CC civil penalty processes.</p>	2
8	<p>Were civil penalties considered for repeat violations, violations which can't be corrected by other means, or violations resulting in incidents (60105 States)? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes, this is addressed in the Pipeline and Commission rules-OAC 165:20, & 165:5; no civil penalties were imposed, Operators are cooperative and invested in safety.</p>	2
9	<p>Can the State demonstrate it is using their enforcement fining authority for safety violations (60105 States)? (Yes= 1 point, No= 0 Points, NI= .5 point)</p> <p>Comments: Yes. OK CC has issued several fines through its Pipeline Safety Program.</p>	1
10	General Comments: Part D scored 21 of 21 points.	21

E – INCIDENT INVESTIGATIONS		
1	<p>Does the State have written procedures to address State actions in the event of an incident? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes, See page 4 of the Procedures.</p>	2
2	<p>Does State have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes, See OAC 165:20-5-11.</p>	2
3	<p>Did the State keep adequate records of Incident notifications received? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p>Comments: Yes, it is established practice and UNGS has been included in that practice.</p>	2
4	<p>If onsite investigation was not made, did State obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 (Yes= 1 point, No= 0 Points, NI= .5 point)</p> <p>Comments: NA, no UNGS incidents. The Procedures, Policy, and Practice are in place.</p>	NA
5	<p>Were all incidents investigated, thoroughly documented, and with conclusions and recommendations?</p> <ul style="list-style-type: none"> • Observations and document review • Contributing Factors • Recommendations to prevent recurrences where appropriate <p>(Yes= 3 points, No= 0 Points, NI=1-2 points)</p> <p>Comments: NA, no UNGS incidents. The Procedures, Policy, and Practice are in place.</p>	NA
6	<p>Did the State initiate compliance action for violations found during any incident investigation? (60106 States forward violations to PHMSA) (Yes= 1 point, No= 0 Points)</p> <p>Comments: NA, no UNGS incidents. The Procedures, Policy, and Practice are in place.</p>	NA
7	<p>Did the State assist the 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? (validate report data from operators concerning incidents and investigate discrepancies) Chapter 6 (Yes= 1 point, No= 0 Points, NI= .5 point)</p> <p>Comments: Yes. OK is always willing to help. The Procedures, Policy, and Practice are in place.</p>	1
8	<p>Does State share lessons learned from incidents with PHMSA? (Yes= 1 point, No= 0 Points)</p> <p>Comments: Yes. During Regional NAPSIR Meetings.</p>	1

9	General Comments: Part E scored 8 of 8 points Three questions were NA; #4, 5, & 6.	8
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F – DAMAGE PREVENTION		
1	<p>Did the State inspector verify UNGS operators are following their written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system? (API 1171 Section 11.10 Public Awareness and Damage Prevention) (Yes= 2 points, No= 0 Points, NI=1 Point)</p> <p>Comments: Yes. Damage is handled by the Pipeline Program</p>	2
2	<p>Did the State encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (Common Ground Alliance Best Practices, support excavation damage prevention legislation, etc.) (Yes= 2 points, No= 0 Points, NI=1 Point)</p> <p>Comments: Yes. Through scheduled meetings and email correspondence. See OAC 165:20-17-1.</p>	2
3	<p>General Comments: Part F scored 4 of 4 points</p>	4

G – FIELD INSPECTIONS		
1	Operator, Inspector, Location, Date and PHMSA Representative Comments: Enable Oklahoma Intrastate Transmission, OPID 26330, John Harper, Virtual, near Holdenville, OK, and at the Stuart Storage Facility. 10/18-22/2021. Bruce Campbell, Billy Anglin, Jeff Overbey, Steven Bibb, and Randy Snyder, OCC inspectors, also participated in the inspection.	
2	Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (Yes= 1 point, No= 0 Points) Comments: Yes. The inspection was scheduled and 8+ operator personnel participated.	1
3	Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (Yes= 2 points, No= 0 Points, NI=1 Point) Comments: Yes. The federal UNGS Standard Inspection form was used in IA.	2
4	Did the inspector thoroughly document results of the inspection? (Yes= 2 points, No= 0 Points, NI=1 Point) Comments: Yes. Every question was answered, and non-Sat questions had comments.	2
5	Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Yes= 1 point, No= 0 Points) Comments: Yes, office space, computers, hand tools, keys, PPE, etc.	1
6	Did the inspector adequately review the following during the field portion of the State Program Evaluation? <ul style="list-style-type: none"> • Procedures • Records • Field Activities/Facilities • Other (please comment) (Yes= 2 points, No= 0 Points, NI=1 Point) Comments: Yes. This was a full UNGS Standard Inspection and addressed Procedures, Records, and Field.	2
7	Did the inspector have adequate knowledge of the UNGS safety program and regulations? (Evaluator will document reasons if unacceptable) (Yes= 2 points, No= 0 Points, NI=1 Point) Comments: Yes. Five OCC personnel participated in the inspection; all five demonstrated good knowledge of the UNGS safety program and regulations.	2
8	Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) (Yes= 1 point, No= 0 Points) Comments: Yes, 11 in attendance. 1 PHMSA, 4 OCC, & 6 operator personnel.	1

[illegible]

H - 60106 AGREEMENT STATE (if applicable)		
1	<p>Did the State use the current federal inspection form(s)? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: H1-6, NA. not a 60106 program.</p>	NA
2	<p>Are results documented demonstrating inspection units were reviewed in accordance with State inspection plan? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: H1-6, NA. not a 60106 program.</p>	NA
3	<p>Were all probable violations identified by State referred to PHMSA for compliance action? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: H1-6, NA. not a 60106 program.</p>	NA
4	<p>Did the State immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: H1-6, NA. not a 60106 program.</p>	NA
5	<p>Did the State give written notice to PHMSA within 60 days of all probable violations found? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: H1-6, NA. not a 60106 program.</p>	NA
6	<p>Did the State initially submit adequate documentation to support compliance action by PHMSA on probable violations? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: H1-6, NA. not a 60106 program.</p>	NA
7	<p>General Comments: NA. not a 60106 program. Part H is scored 0 of 0 points.</p>	NA