



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

1200 New Jersey Avenue SE
Washington DC 20590

2020 Gas State Program Evaluation

for

Tennessee Public Utility 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



2020 Gas State Program Evaluation -- CY 2020

Gas

State Agency: Tennessee

Agency Status:

Date of Visit: 06/14/2021 - 06/17/2021

Agency Representative: Bryce Keener, Director Gas Pipeline Safety Division
Travis Aslinger, Deputy Director Gas Pipeline Safety Division
Daniel Allen, TPUC Utility Inspector I

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

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

Name/Title: Dr. Kenneth Hill, Chairman
Agency: Tennessee Public Utility Commission
Address: 502 Deaderick Street, 4th Floor
City/State/Zip: Nashville, TN 37243

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 2020 (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
10
0

0
15
10
42
15
10
0

TOTALS

100 92

State Rating 92.0

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- 1 Were the following Progress Report Items accurate? (*items not scored on progress report) Info Only Info Only
Info Only = No Points
- Stats On Operators Data - Progress Report Attachment 1
 - State Inspection Activity Data - Progress Report Attachment 2
 - List of Operators Data - Progress Report Attachment 3*
 - Incidents/Accidents Data - Progress Report Attachment 4*
 - Stats of Compliance Actions Data - Progress Report Attachment 5*
 - List of Records Kept Data - Progress Report Attachment 6 *
 - Staff and TQ Training Data - Progress Report Attachment 7
 - Compliance with Federal Regulations Data - Progress Report Attachment 8
 - Performance and Damage Prevention Question Data - Progress Report Attachment 10*

Evaluator Notes:

- Reviewed progress report and compared data with information located in PHMSA Portal. TN PUC is a 60105 certificated state and has jurisdictional authority over natural gas, LNG and gathering systems. In CY2020 they had 141 operators and 156 units. The number of operators and inspections are one less than previous year.
- Number of inspection person days (799) meet the minimum requirement of 742. Construction days of 137 does not meet the required number of 148.
- Verification of operators in the Pipeline Data Mart (PDM) to progress report resulted in a match to attachments 1 & 3. No issues.
- One incident was reported for CY2020. The incident matched the number in PHMSA Portal. No issues.
- Number of carryover violations were two from previous year. Eleven compliance actions were taken and no civil penalties assessed or collected in CY2020. However, TN PUC has an ongoing issue with MLGW on the LNG facility and it is anticipated a civil penalty will be assessed in CY2021.
- A review of the list of office records appears to be correct. Unable to verify due to working remotely.
- Reviewed TQ Blackboard records and found six of the seven inspectors have completed all mandatory training for a Gas Inspector, LNG, OQ and Root Cause. Three individuals have qualified as Gas IM Inspectors. One inspector is a category III and has attended three courses as of January 20, 2021. Five of the seven inspectors are classified at category I.
- Current civil penalty amount is \$10,000 per day up to \$500,000 for a series of violations. TN PUC was successful in passing House Bill 54 that increased the penalty amounts to \$100,000/\$1 Million. The effective date is July 1, 2021.
- No issues. Good description was provided in each section.

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

PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 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 Inspectionsb. TIMP and DIMP Inspections (reviewing largest operator(s) plans annually)c. OQ Inspectionsd. Damage Prevention Inspectionse. On-Site Operator Trainingf. Construction Inspections (annual efforts)g. LNG Inspections | | |

Evaluator Notes:

- a. Yes, this information is located in Tennessee Public Utility Commission (TN PUC) Gas Pipeline Safety Division Program Plan dated March 2018 on page 7, Section V. The section contains pre-inspection, inspection and post inspection.
- b. Yes, TIMP & DIMP inspection procedures are located in section V, Conducting Inspection Item N.
- c. Yes, OQ inspection procedures are located in section V, Conducting Inspection item I.
- d. Yes, Damage Prevention inspection procedures are located in section V, Conducting Inspection Item M.
- e. Yes, On-Site Operator Training procedures are located in section V, Conducting Inspection Item L.
- f. Yes, Construction inspection procedures are located in section V, Conducting Inspection Item H.
- g. Yes, LNG inspection procedures are in section V, Conducting Inspection Item O.

- | | | | |
|---|---|---|---|
| 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 inspectionb. 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:

- a & b. The length & history of inspections are located in TN PUC Gas Pipeline Safety Division Program Plan, Section IV. Item C & B.
- c. The type of activity being undertaken is in Section V, item C, General Inspection Guidelines.
- d & e. The process for location of operator's inspection units and identifying high-risk is located in Section IV, item B.
- f. Conducted a review of progress report and information in Pipeline Data Mart confirm inspection units' are broken down correctly. No issues.

- | | | | |
|---|---|---|---|
| 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 |
| | <ul style="list-style-type: none">a. Procedures to notify an operator (company officer) when a noncompliance is identifiedb. Procedures to routinely review progress of compliance actions to prevent delays or breakdownsc. Procedures regarding closing outstanding probable violations | | |

Evaluator Notes:

- a. Yes, this item is located in TN PUC Gas Pipeline Safety Division Program Plan Section V item R.
- b. Yes, this item is located in TN PUC Gas Pipeline Safety Division Program Plan Section V item T, Notice of Probable Violation Tracking.

c. Yes, this item is located in TN PUC Gas Pipeline Safety Division Program Plan Section V item U, Removal or Correction of a Notice of Probable Violation.

4	(Incident/Accident Investigations) Does the state have written procedures to address state actions in the event of an incident/accident?	3	3
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Yes = 3 No = 0 Needs Improvement = 1-2

- a. Mechanism to receive, record, and respond to operator reports of incidents, including after-hours reports
- b. If onsite investigation was not made, do procedures require on-call staff to obtain sufficient information to determine the facts to support the decision not to go on-site.

Evaluator Notes:

- a. Yes, mechanism to receive, record and respond to operator reports are located in TN PUC Gas Pipeline Safety Division Program Plan Section VI item B.
- b. Yes, this item is located in TN PUC Gas Pipeline Safety Division Program Plan Section VI.

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

Evaluator Notes:

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

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



PART C - State Qualifications

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 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 review of TQ Blackboard data found six of the seven inspectors have met the requirements to qualify as a Gas Inspector. Three inspectors have completed the IM, OQ, LNG and Root Cause courses. Program Manager and one inspector have completed three required courses as of 01/20/2021. No outside training occurred in CY2020.

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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:

Yes, Mr. Keener has been the Program Manager for two years and completed three of the required courses at TQ.

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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 evaluation.

Total points scored for this section: 10
Total possible points for this section: 10



PART D - Program Performance

Points(MAX) Score

- | | | | |
|---|--|---|---|
| 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 |
| | a. Standard (General Code Compliance) | | |
| | b. Public Awareness Effectiveness Reviews | | |
| | c. Drug and Alcohol | | |
| | d. Control Room Management | | |
| | e. Part 193 LNG Inspections | | |
| | f. 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:

Random generated operators to be checked for this evaluation period consisted of 19 distributions, 4 transmissions and 2 LNG operators. A review of Program Manager Inspection History spreadsheet and individual inspection reports was conducted. Listed below are the operators reviewed:

Distribution

Systems:

1. FRIENDSHIP GAS DEPT
2. MIDDLETON GAS DEPT.
3. ATMOS ENERGY CORPORATION
Bristol
Franklin
Johnson City
Maryville
Morristown
Murfreesboro
Shelbyville
Union City
4. Hohenwald Natural Gas
5. Clay Gas Utility District
6. Humboldt Utilities Gas Dept
7. Poplar Grove Utility District
8. Citizens Gas Utility District
9. Waynesboro Gas
10. Lake County Utility District
11. Lafayette Gas & Utilities
12. Mason Municipal Gas System
13. Claiborne Utilities District
14. Dunlap Gas System
15. Marion Natural Gas System
16. Somerville Light Gas & Water
17. Volunteer Energy Cooperative
18. Parsons Natural Gas System
19. Maury City Municipal Gas System

Gas Transmission Operators

1. Memphis Light Gas & Water Division
2. Smelter Space Corp
3. Atmos Energy Corporation
4. General Gas Pipeline, LLC
5. Scepter Greenville, Inc.

LNG Facilities

1. Memphis Light Gas & Water Division ? Capleville LNG Plant
2. Piedmont Natural Gas Company ? Nashville LNG Plant

In the review it was determined the following time intervals were not met in accordance to written procedure in Section IV, Inspection Planning Item C. D&A Clay Gas Utility, Lafayette Gas, Somerville Gas & Maury City Gas. For OQ: Lake County Utility, Lafayette Gas, Mason Gas, Claiborne Utilities & Maury City.
TN PUC performed 137 construction person days which was 18.5% of the 20% required level.

A loss of five points occurred due to not meeting the inspection time intervals for each type of inspection.

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 Reviews c. Drug and Alcohol d. Control Room Management e. Part 193 LNG Inspections f. Construction g. OQ (see Question 3 for additional requirements) h. IMP/DIMP (see Question 4 for additional requirements) 		

Evaluator Notes:

Yes, TN PUC continues to use the Federal Standard Inspection form with a modified portion for each type of inspection. Reviewed compliance letters and inspection reports for the random generated operators selected. This consisted of 25 inspection reports.

The review of all reports confirms each section of the inspection forms were completed with notes and pictures. The level of inspection person-days match the type of inspections being performed.

3	Is state verifying monitoring (Protocol 9/Form15) of operators OQ programs? 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	0
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Evaluator Notes:

No, a review of Program Manager's spreadsheet found the agency did not inspect nor monitor the operator's OQ plans for updates to insure persons performing covered tasks were qualified or requalified. The following operators were not reviewed in CY2020: Lake County Utility, Lafayette Gas, Mason Gas, Claiborne Utilities & Maury City. A loss of two points occurred due to not verifying the operator's OQ programs.

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	1
	<ul style="list-style-type: none"> a. Are the state's largest operator(s) plans being reviewed annually to ensure they are completing the full cycle of the DIMP/IMP process? 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. No, this was not performed in CY2020. A review of spreadsheet provided by Program Manager found Atmos Energy's IMP plan was reviewed in CY2017. Additionally, Piedmont Gas, Chattanooga Gas Company and Memphis Gas, Light & Water plans were reviewed in CY2018. A loss of one point occurred due to not reviewing the largest operators IMP plans annually.

- b. Yes, this information is located in the supplemental questions at the end of the standard inspection form.
- c. Yes, this information is located in the supplemental questions at the end of 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:

Yes, items a thru g are listed in the Federal Standard inspection Form 2 questions.

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:

Yes, this item is located in the supplemental questions of the standard inspection form.

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. Yes, a review of eleven compliance action letters sent to operators confirm the letters were addressed to the Vice President, Mayor or General Manager.
- b. Yes, excellent documentation was provided in each letter and report.
- c. Yes, action to resolve the probable violation was provided in each letter.
- d. Yes, compliance review is conducted by Program Manager and Deputy Director every two weeks.
- e. Yes, all compliance action was taken on all probable violations.
- f. Yes, TN PUC has previously assessed and connected a civil from Atmos Energy in the amount of \$2,329,650 in CY2016.
- g. Yes, Program Manager routinely reviews, approves and signs all compliance letters.
- h. Yes, compliance action is listed in the letters and operator has the option for an informal hearing.
- i. Yes, exit interviews are conducted with the operator at the close of the inspection. A review of inspection reports confirmed this action was performed with a signed affidavit.
- j. A review of compliance letters and inspection reports confirmed all letters are sent to the operator prior to the 90 days deadline.

8	(Incident Investigations) Were all federally reportable 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. Yes, this item is listed in TN PUC Gas Pipeline Safety Division Program Plan Section VI.
- b. Yes, a review of notification records indicated all incidents received were documented. The only reported incident was Chattanooga Gas Company on 10-26-2020. No issues of concern.
- c. Yes, information is obtained from the operator and a decision to perform an onsite investigation is decided by Program Manager with input from Deputy Director. If a reason to not investigate is decided, this information is documented in the file.
- d. Reviewed Pipeline Data Mart and Progress Report. One incident was reported in CY2020. Chattanooga Gas Company on 10-26-2020. This incident involved a 3rd party damage.
- e to g. No compliance action was necessary on the Chattanooga Gas Company due to the cause of the incident.
- h. PHMSA AID confirmed participation and assistance was received from Program Manager and or Deputy Director on the Chattanooga gas incident.
- i. Information on incidents are shared at the NAPS SR Southern Region meeting or quarterly Teams meetings.

9	Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1	1	1
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Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, Chairman Hill's response letter to Zach Barrett was received on September 17, 2020 and within the required sixty day time limit.

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

Evaluator Notes:

Yes, information was presented at the TGA Virtual Fall Management meeting held 11-17-18-2020.

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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:

Yes, this item is listed in the supplemental questions of the standard inspection form.

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

Evaluator Notes:

This is accomplished via the TN PUC website and TGA website.

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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:

A review of Data Mart confirmed no safety related condition reports were submitted or filed in CY2020.

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

Evaluator Notes:

Robert Clarillos & PHMSA AID confirmed TN PUC responded to their request for information on NAPSRS surveys and the incident in Chattanooga, TN. Work Management System has been used when Coalfield changed ownership and on the Chattanooga Gas incident.

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

Evaluator Notes:

A review of PHMSA website and discussion with Program Manager indicate no waivers or special permits have been issued.

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| 16 | Were pipeline program files well-organized and accessible?
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

Yes, a discussion with Program Manager and Deputy Director along with a review of documents via Teams confirm files are accessible.

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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:

Reviewed SICT Information provided in Email dated 05-05-2021 to all NAPSRS Program Managers with Program Manager. Program Manager has an understanding of the data required but has not updated from last year's revision. As a reminder the State Inspection Calculation Tool (SICT) 2022 data is due July 31, 2021.

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

Evaluator Notes:

A review of performance metrics found damages per 1,000 locate request was trending downward from 3.9 to 3.5. Leaks scheduled for repair per 1,000 miles was trending downward from 130 to 82. Hazardous leaks from 82 to 72 and total leaks eliminated from 182 to 175.

- 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:

Yes, this was accomplished and discussed at the TGA Fall Management Virtual Meeting in November, 2020.

- 20** General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

Loss of points occurred in the following questions.

D.1 A loss of five points occurred due to not meeting the inspection time intervals for each type of inspection.

D.3 A loss of two points occurred due to not verifying the operator's OQ programs.

D. 4 A loss of one point occurred due to not reviewing the largest operators IMP plans annually.

Total points scored for this section: 42
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:

a. This was a three day integrity management, corrosion control, rectifier and cathodic protection readings inspection on Chattanooga Gas Company's transmission and distribution pipelines on September 21-23, 2021.

b. The unit was last inspected in CY2020.

c. Yes, the following operator representatives were present:

Scott Keith - Pressure Specialist

Cullen Debusk -Pressure Tech II

Ralph T. McCollum, PE - Lead Compliance Engineer

Paul Leath - Region Director

Bennie Kinsey - Construction Superintendent

Carlos James - Supervisor ? Asset Protection

Mark Roy - Maintenance Supervisor

Rick Mathis - Asset Protection

Christopher Barcot - Corrosion Technician

Nick Kitzmiller - Corrosion Supervisor

Rick Slagle - VP of Quality Standards

Keith Vanderlee- Director of DSTM

Scott Pryor - Mgr. Ops Quality Standards

Bennie Kinsey - Construction Superintendent

Jimmy Slocum - Operations Supervisor

Kim Norwood - Odorization Tech

Brandon - Analyst Ops Quality Standards

Laura Ferreira - Pipeline integrity program manager

Will Carter Engineer - TIMP

Brandon Schrak - OQ Analysis

Scott Crider - OQ Ops Supervisor

Chris Johnanssen - QA Analyst

Mark Roy Systems - Op Supervisor

Danny Lecroy - Ops Supervisor

d. Mr. Daniel Allen is the newest state inspector and has not been observed in previous state program field inspection reviews.

- 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, Mr. Allen was using TN PUC GPSD Transmission/Gathering Lines Baseline Procedures Inspection form. It was observed Mr. Allen asking questions pertaining the items in the inspection form. He waited for a response from the operator representative before recording the response into the form.

- 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?)

- c. Field Activities/Facilities (did inspector ensure that procedures were being followed, including ensuring that properly calibrated equipment was used and OQ's were acceptable?)
- d. Other (please comment)
- e. Was the inspection of adequate length to properly perform the inspection?

Evaluator Notes:

- a. Yes, a series of questions were asked to monitor the operator's compliance to the integrity management and corrosion control requirements. Detailed questions were asked about pipeline material, welding, valve spacing, pressure testing, and other relative maintenance items listed in the operator's operation and maintenance procedures.
- b. Records were reviewed and compared to previous inspections. Several in-depth questions about the design and construction of pipelines were reviewed.
- c. Field activities consisted of a review of the operator's rectifiers, pipe-to-soil potential readings and atmospheric corrosion control.
- d. Yes, the length of the inspection was appropriate for the items covered.

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. Daniel Allen has completed three of the required six courses. He has been with the TN PUC for less than two years.

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:

Due to limited time, this observer did not observe an exit interview being conducted on Friday, September 24th. However, it was observed a review of items of concern or other relative compliance items were discussed at the end of each day.

6	Was inspection performed in a safe, positive, and constructive manner ?	Info Only	Info Only
	Info Only = No Points		
	<ul style="list-style-type: none"> 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 acts or procedures were observed during the three day inspection period.
- b. Inspector observed rectifier readings being taken and pip-to-soil readings at random locations.
- c. Best practice was relative to the company's damage prevention and public awareness programs. Company representatives provided information on who is damaging their facilities, their locations by zip codes and action taken to reduce future damages to their facilities.

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

Evaluator Notes:

No loss of points occurred in this section of the state program evaluation 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:

Yes, this is accomplished by each inspector reviewing the operator's annual report prior to performing their inspection. This is also in the pre-inspection procedures of TN PUC Gas Pipeline Safety Division Program Plan.

- | | | | |
|---|--|---|---|
| 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 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, this item is located in the standard inspection form under the supplemental questions.

- | | | | |
|---|---|---|---|
| 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 | 4 |
|---|---|---|---|

Evaluator Notes:

- a. Yes, each inspector reviews the operator's annual report prior to conducting their inspection visits. Errors found are corrected by contacting the operator and requesting a supplemental report be filed.
- b. & c. Yes. This is conducted by the inspector during the annual review of the operator's annual report.
- d. This is reviewed in the Protocols 9 inspection form performed annually.
- e. This is reviewed during the operator's OQ Plan inspection.
- f. & g. This information is located in each operator's evaluation report section of the standard inspection.
- h & i.. Yes, this item is reviewed with the operator during the standard inspection along with the annual report. Mapping errors are being reviewed and corrected by the operators when mistakes are made in locating their facility.
- J. This information is located in each operator's evaluation report section of the standard inspection form.

- | | | | |
|---|---|---|---|
| 4 | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests?
Yes = 2 No = 0 Needs Improvement = 1 <ol style="list-style-type: none">a. What stakeholder group is causing the highest number of damages to the pipelines? Operator, contractor, locating company or public.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. Third party contractors are causing the highest number of damages.
- b. Yes, this is reviewed with the operator during the standard inspection. Questions are asked about the training that is provided to stakeholders and who is causing damages.
- c. Yes, this information is located and listed in the standard inspection form under the evaluation report.
- d. Yes, this is addressed in the Public Awareness Reviews.

5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

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

Total points scored for this section: 10
Total possible points for this section: 10



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:

TN PUC does not have a 60106 agreement with PHMSA and not an interstate agent.

- 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:

TN PUC does not have a 60106 agreement with PHMSA and not an interstate agent.

- 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:

TN PUC does not have a 60106 agreement with PHMSA and not an interstate agent.

- 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:

TN PUC does not have a 60106 agreement with PHMSA and not an interstate agent.

- 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:

TN PUC does not have a 60106 agreement with PHMSA and not an interstate agent.

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

Evaluator Notes:

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

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