



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

1200 New Jersey Avenue SE  
Washington DC 20590

## 2021 Gas State Program Evaluation

for

ARIZONA CORPORATION COMMISSION, Office of Pipeline Safety

### 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



# 2021 Gas State Program Evaluation -- CY 2021

Gas

**State Agency:** Arizona

**Agency Status:**

**Date of Visit:** 09/26/2022 - 09/29/2022

**Agency Representative:** Eric Villa, Program Manager, ACC

**PHMSA Representative:** David Lykken, Transportation Specialist, PHMSA State Programs

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

**Name/Title:** Lea Marquez Peterson, Chairwoman

**Agency:** Arizona Corporation Commission

**Address:** 1200 West Washington Street

**City/State/Zip:** Phoenix, AZ 85007

**Rating:**

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

## 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 2021 (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  
50  
15  
10  
0

### TOTALS

100 100

**State Rating** .....

100.0

## 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
- 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 & c) Operator/Inspection Unit totals on Attachment 1 are consistent with the Operator/Inspection Unit totals on Attachment 3. b) No issues. SICT estimated day total was 964. Actual days 1427.5 d) # of incidents matches total found in the PDM. e) No issues. g) Information verified through T&Q Blackboard training site. Training for personnel found to be complete and accurate. h) Working to adopt 7/1/2020 GT amendments.

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<br>Yes = 5 No = 0 Needs Improvement = 1-4   | 5 | 5 |
|   | <ul style="list-style-type: none"><li>a. Standard Inspections, which include Drug/Alcohol, CRM and Public Awareness Effectiveness Inspections</li><li>b. TIMP and DIMP Inspections (reviewing largest operator(s) plans annually)</li><li>c. OQ Inspections</li><li>d. Damage Prevention Inspections</li><li>e. On-Site Operator Training</li><li>f. Construction Inspections (annual efforts)</li><li>g. LNG Inspections</li></ul> |   |   |

**Evaluator Notes:**

Yes. AZOPS Policy and Procedures Rev. 1-2022. Intrastate Annual Audit Procedure pg's 16-20, Specialized Audits pg. 21, Construction pg. 22, Intrastate Operator Audit Files pg. 26. Interstate Audit Procedures pg's 29 - 39. Master Meters pg's 57-78; On-Site Operator training addressed in separate document.

- |   |   |   |   |
|---|---|---|---|
| 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<br>Yes = 4 No = 0 Needs Improvement = 1-3  | 4 | 4 |
|   | <ul style="list-style-type: none"><li>a. Length of time since last inspection</li><li>b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)</li><li>c. Type of activity being undertaken by operators (i.e. construction)</li><li>d. Locations of operator's inspection units being inspected - (HCA's, Geographic area, Population Centers, etc.)</li><li>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)</li><li>f. Are inspection units broken down appropriately?</li></ul> |   |   |

**Evaluator Notes:**

Major Operator Annual Reports pg. 12; Audit Frequencies pg's 12-13; Work Plan pg. 28; Master Meters pg's 57-58;

- |   |   |   |   |
|---|---|---|---|
| 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<br>Yes = 3 No = 0 Needs Improvement = 1-2  | 3 | 3 |
|   | <ul style="list-style-type: none"><li>a. Procedures to notify an operator (company officer) when a noncompliance is identified</li><li>b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns</li><li>c. Procedures regarding closing outstanding probable violations</li></ul> |   |   |

**Evaluator Notes:**

Yes. a) Operator Correspondence, pg. 8 & 14-15.); b, c, d) Intrastate Annual Audit Procedure (Post Audit) pg's 18-20, Enforcement pg. 23, Order to Show Cause pg's 24-25. Underground Facilities Law Enforcement pg's 50-56,

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|---|--|---|---|
| 4 | (Incident/Accident Investigations) Does the state have written procedures to address state actions in the event of an incident/accident?<br>Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
|   | <ul style="list-style-type: none"><li>a. Mechanism to receive, record, and respond to operator reports of incidents, including after-hours reports</li></ul>                       |   |   |

- 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:

Yes. The program system in place to receive telephonic notices of incidents. Incident/Accident Investigations pg's 40 - 49.

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5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No issues noted. No point deductions under Part B.

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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 4.3<br>Yes = 5 No = 0 Needs Improvement = 1-4  | 5 | 5 |
|   | <ul style="list-style-type: none"><li>a. Completion of Required OQ Training before conducting inspection as lead</li><li>b. Completion of Required DIMP/IMP Training before conducting inspection as lead</li><li>c. Completion of Required LNG Training before conducting inspection as lead</li><li>d. Root Cause Training by at least one inspector/program manager</li><li>e. Note any outside training completed</li><li>f. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector (Reference State Guidelines Section 4.3.1)</li></ul> |   |   |

Evaluator Notes:

d. Yes. Seven inspectors including Program Manager and the Assistant PS Engineer Supervisor have completed Root Cause Training. e. New inspectors are required to complete in-house training for LPG Inspection, Failure Investigation, Welding Inspection, and Underground Facilities Law.

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|---|--|---|---|
| 2 | Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations?<br>Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
|---|--|---|---|

Evaluator Notes:

No issues. Eric has been with the ACC pipeline safety program since 2002. He has been Program Manger for three years. Eric has completed all T&Q Gas Inspector, GTIM, Gas Failure, Root Cause, and DIMP inspection paths including pre-requisites for all.

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|---|--|-----------|-----------|
| 3 | General Comments:<br>Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

No point deductions under Part C.

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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|----------|--|---|---|
| <b>1</b> | Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1<br>Yes = 5 No = 0 Needs Improvement = 1-4 <ol style="list-style-type: none"><li>a. Standard (General Code Compliance)</li><li>b. Public Awareness Effectiveness Reviews</li><li>c. Drug and Alcohol</li><li>d. Control Room Management</li><li>e. Part 193 LNG Inspections</li><li>f. Construction (did state achieve 20% of total inspection person-days?)</li><li>g. OQ (see Question 3 for additional requirements)</li><li>h. IMP/DIMP (see Question 4 for additional requirements)</li></ol> | 5 | 5 |
|----------|--|---|---|

**Evaluator Notes:**

Inspection intervals for PAPEI effectiveness inspections not met for SW Gas and Nicor Steel due to Covid-19 restrictions still in place by the operator. Last PAPEI's conducted in 12/2016 and 11/2016 respectively. Inspection were completed in CY2022. Total DT&C days (241.5) of SICT estimated total days (964) = 25.05%.

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|----------|--|----|----|
| <b>2</b> | 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?<br>Yes = 10 No = 0 Needs Improvement = 1-9 <ol style="list-style-type: none"><li>a. Standard (General Code Compliance)</li><li>b. Public Awareness Effectiveness Reviews</li><li>c. Drug and Alcohol</li><li>d. Control Room Management</li><li>e. Part 193 LNG Inspections</li><li>f. Construction</li><li>g. OQ (see Question 3 for additional requirements)</li><li>h. IMP/DIMP (see Question 4 for additional requirements)</li></ol> | 10 | 10 |
|----------|--|----|----|

**Evaluator Notes:**

Yes. The program utilizes their own state inspection forms for conducting intrastate inspections. Forms numbered 1 thru 16 and are described on page 18 of the program's written procedures. Reviewed all CY2021 inspections. No issues noted.

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| <b>3</b> | 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<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

**Evaluator Notes:**

Zero days devoted specifically to OQ activities in CY2021. A review of 2021 standard inspections show OQ verifications typically conducted during the field portion of inspection utilizing the OQ Protocol 9 (PHMSA Form 15). Updates to the operator's OQ plans are reviewed during the annual standard inspection.

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|----------|---|---|---|
| <b>4</b> | 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 Subparts O and P<br>Yes = 2 No = 0 Needs Improvement = 1 <ol style="list-style-type: none"><li>a. Are the implementation plans of the state's large/largest operators(s) being reviewed annually to ensure they are completing full cycle of the IMP process?</li></ol> | 2 | 2 |
|----------|---|---|---|

- 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:**

Zero days devoted to IM activities in CY2021. IM plan updates and plan implementation typically conducted during annual standard inspections as observed during the program field observation portion of this year's evaluation. Reviewed all CY2021 inspection reports. IM/DIMP specialized inspections conducted not to exceed 5-years.

<b>5</b>	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 <ul style="list-style-type: none"> <li>a. Operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken;</li> <li>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);</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>f. Operator procedures for considering low pressure distribution systems in threat analysis?</li> <li>g. Operator compliance with state and federal regulations for regulators located inside buildings?</li> </ul>	2	2
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**Evaluator Notes:**

a&b: No known CI or DI pipeline remaining in the state. c thru g part of Gas Distribution Inspection Report checklist under Damage Prevention Program, and Emergency Procedures sections. There are no low pressure gas distribution systems in the state.

<b>6</b>	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:**

Typically reviewed during standard inspections. No advisory bulletins issued in CY2021.

<b>7</b>	(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 <ul style="list-style-type: none"> <li>a. Were compliance actions sent to company officer or manager/board member if municipal/government system?</li> <li>b. Were probable violations documented properly?</li> <li>c. Resolve probable violations</li> <li>d. Routinely review progress of probable violations</li> <li>e. Did state issue compliance actions for all probable violations discovered?</li> <li>f. Can state demonstrate fining authority for pipeline safety violations?</li> </ul>	10	10
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- 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:**

Yes. All non-compliance actions issued in CY2021 reviewed. Operator is notified immediately and issues discussed with management at the time a PV identified. A email is sent by the AZCC inspector to the operator outlining the preliminary findings soon after the exit interview is conducted. No written preliminary findings exceeded the 90 day requirement. The program has demonstrated it's fining authority having last collected civil penalties in CY2019. Docket #G-20889A-19-0102 (\$50,000 Fine).

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<b>8</b>	(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: Telephone Notice of Gas Incidents mechanism in place to receive calls. b: Yes. Telephonic Incident Report form utilized to document initial notifications. c: N/A. On-site visit conducted for the the two reportable incidents in CY2021. d/e: Yes. Reviewed both. f/h: Non-compliance were not identified in both instances. The program has demonstrated maintaining good communications with both PHMSA AID and the WR office. I: State of the State presentation at NAPS Regional meetings and annual state operator seminar. Also letter to operators on occasions when issue comes up that should communicated.

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<b>9</b>	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:**

State Programs letter issued 9/29/21. Full points awarded for both NG and HL programs. Chairwoman's response not required.

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<b>10</b>	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. A virtual operator safety seminar was conducted on 12/14/2021 via MS Teams. A copy of the seminar agenda was

reviewed.

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|-----------|--|-----------|-----------|
| <b>11</b> | Has state confirmed transmission operators have submitted information into NPMS database along with changes made after original submission?<br>Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

Yes. Question is included in the AZCC standard inspection forms. Information verified by AZCC inspectors during PHMSA field observation of pipeline operator APS standard inspection.

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| <b>12</b> | 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).<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

No change from prior evaluation year. The AZCC maintains a public website and works with the Arizona Utility Group. The AZCC is a member of the AZ National Utility Contractors Association, One call ticket resolution committee, Arizona Emergency Response Committee Advisory Board, the Arizona and National Common Ground Alliance. The program meets quarterly with their largest LDC (SW Gas).

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| <b>13</b> | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.7<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

There were no SRCR's submitted in CY2021. Verified in the WMS.

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

Evaluator Notes:

Per RC, the program responded to 4 of 12 NAPSRS surveys. There were no IM notifications submitted in CY2021.

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| <b>15</b> | 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.<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

None new issued in CY2021. Four currently posted to the PHMSA special permits web page. 95-07-27 SWG PE Insert (The program continues to monitor). The following are no longer valid due to changes in regulations or the time period stipulated in the special permit has ended. 96-06-14 Citizens Utilities PL Markers (now Unisource), 96-06-14b Black Mountain Gas (Now SW Gas) PL Markers, and 2002-06-28 City of Mesa PA-11 Trail Period.

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|-----------|---|-----------|-----------|
| <b>16</b> | Were pipeline program files well-organized and accessible?<br>Info Only = No Points | Info Only | Info Only |
|-----------|---|-----------|-----------|

Evaluator Notes:

Files were provided electronically and made readily available.

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|-----------|---|---|---|
| <b>17</b> | 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:

Discussed past SICT estimates. The SICT was updated in July 2022. For CY2021, DT&C actual days were 241.50 (25.05%) of SICT estimated total days (964). Actual total program field days were 1427.50.

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

Evaluator Notes:

Pipeline damages per 1000 locate tickets continues downward trend since 2013. Now at approximately .75 in CY2021. Well below the national average of 2.28. Inspection days per 1K averaging 20.5 days per 1000 miles of pipe. Highest average since 2010. Inspector qualification core training at 80%.

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

Evaluator Notes:

PSMS question is included in the program's annual inspection checklists.

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

Evaluator Notes:

No issues identified. No point deductions under Part D.

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



## PART E - Field Inspections

Points(MAX) Score

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

Info Only = No Points

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

### Evaluator Notes:

a. A Standard Records review and facilities check, PAPEI Effectiveness, and Section 114 inspection of the DGS-LNG facility on 8/8-10/2022. b. The unit is inspected annually. Last O&M review in 2020. Last records and facility check was 10/2021. c. Yes, the operator was present. d. Mike Bell has been with the pipeline program since 2007.

- 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. The program utilized customized IA Equivalent form which also incorporates state pipeline safety regulations. The program utilized a separate customized "Notes-Field Inspection" form for documenting field facility checks.

- 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:

No issues. Mr. Bell's review of the operator's records was thorough and sufficient to determine compliance. He asked questions when needed. The Plant Manager was new to the position so Mr. Bell was sufficiently patient to explain regulatory requirements and to confirm the operators understanding of what is required. The standard field facilities check of the LNG plant included inspection of the short pipeline segment and associated plant facilities including station valves, CP rectifier, CP test stations, Atmospheric corrosion, signage, operator qualification, fire equipment, Control Rooms, Security, and instrument calibration. The inspection was of adequate length to determine compliance.

- 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. Bell demonstrated good knowledge of the regulations and LNG program specifics.

- 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:

A exit interview was conducted. Five PV's identified during the inspection related to operating procedures, auxiliary power

sources, atmospheric corrosion, and maintenance records.

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**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:

No unsafe acts were observed. Mr. Bell conducted himself in a courteous and professional manner.

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**7** General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

No issues. No point deductions under Part E.

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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

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|---|--|---|---|
| 1 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues.<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

No changes from prior evaluation year. The ACC uses mandatory quarterly reports for leaks and accidents/damages from operators to track this information. It gives a good real time account of the information. They also review the annual reports to track new installation of pipe and services.

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|---|--|---|---|
| 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)<br>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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes. The program's process meets all requirements.

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

Evaluator Notes:

Yes. The programs process for reviewing operator annual reports meet all requirement listed.

- |   |  |   |   |
|---|--|---|---|
| 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?<br>Yes = 2 No = 0 Needs Improvement = 1 <ol style="list-style-type: none"><li>a. What stakeholder group is causing the highest number of damages to the pipelines? Operator, contractor, locating company or public.</li><li>b. Has the state verified the operator is appropriately focusing damage prevention education and training to stakeholders causing the most damages?</li><li>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.</li></ol> | 2 | 2 |
|---|--|---|---|

- 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 ACC collects quarterly damage reports on damages from all jurisdictional operators. The information provided includes the number of tickets, number of damages and the cause of damages. This information is compiled by an assigned inspector and reviewed by the Program Manager.

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5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No issues. No point deductions under Part F.

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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:

Yes. IA was utilized to document inspection results.

- 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:

Independent inspections conducted on Mohave Pipeline 2021 Audit, EPNG 2021 Northern AZ Specialized, and SWG SGTC - AZ 2021. All inspection activity coordinated through the assigned PHMSA region.

- 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:

No immediate safety hazards were identified during the three independent inspection.

- 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:

All inspection activity coordinated through assigned PHMSA region as part of overall inspection workplan.

- 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 program has assisted in two interstate incident investigations. NRC #1313733 & #1298331. (El Paso Natural Gas).

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

Evaluator Notes:

No issues.

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