



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

KENTUCKY PUBLIC SERVICE COMMISSION

### Document Legend

#### PART:

- O -- Representative, Dates and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- State Qualifications
- D -- Program Performance
- E -- Field Inspections
- F -- Damage prevention and Annual report analysis
- G -- Interstate Agent/Agreement States



# 2021 Gas State Program Evaluation -- CY 2021

Gas

**State Agency:** Kentucky

**Agency Status:**

**Date of Visit:** 05/03/2022 - 05/05/2022

**Agency Representative:** Joe Subsits

**PHMSA Representative:** Melissa Holbrook

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

**Name/Title:** Kent Chandler, Chairman

**Agency:** Kentucky Public Service Commission

**Address:** 211 Sower Boulevard

**City/State/Zip:** Frankfort, Kentucky 40602

**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 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
- 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:

- The progress report lists 21 private systems, 59 municipal systems, 104 master meters, 25 intrastate transmission systems, and 9 gathering lines. Progress report information is tracked by Melissa on a spreadsheet. Melissa has developed a spreadsheet specifically for filling out the progress report.
- The progress report identifies 543 inspection days. 112 of those days are construction days. This calculates to 20 % of the inspection days being construction days. Inspection days are generated from weekly reports which are filled out in addition to time sheets by the inspectors. Progress report inspection days are calculated from Melissa's spreadsheet.
- Attachments 1 and 3 numbers match up. Could not find People Natural Gas (from the random operator list) in attachment 3. Peoples Natural Gas was purchased by Frontier gas. This issue is resolved.
- There are three incidents listed in Kentucky's progress report. They are the 2/27/21 Columbia Gas excavation damage incident, the 3/1/21 external corrosion on Kentucky Frontier gas incident and the 10/20/21 internal corrosion incident of Louisville Gas and electric. All three incidents were reported in PDM. 30 day reports were submitted for all three incidents.
- The 2020 progress report had 21 carry over violations. Results on the 2021 report add up properly for the year. The 2021 progress report showed 13 carried over violations which are now clear.
- Melissa has many spreadsheets which are used to manage internal processes. Kentucky had adequate records which were readily available during the evaluation.
- Melissa tracks spreadsheets to manage T&Q training activities. Mike Nantz had 95% gas pipeline safety time listed in the progress report? in 2021, Mike worked 5% of his time on a rate case. His time now adds to 100%.
- Kentucky has until July this year to pass the MAOP reconfirmation expansion of assessment requirement with the required 2 year time frame.
- Accomplishments identified on the 2021 progress report are: inspection days were met in the covid environment, Melissa chaired the Southern NAPSIR region and three accident investigations were performed.

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:

Pre inspection, inspection and post inspection procedures are covered in Part V of the procedural manual. This section covers Record review, reports, inspection forms, field work, inspection types, exit interviews and compliance procedures. Inspection intervals are covered on pages 10 -13. These pages include a summary of risk based considerations.

- a. Standard inspections are covered in section G. Drug/alcohol inspections are covered in section N. CRM inspections are covered in section R and Public awareness effectiveness inspections are covered in section Q.
- b. TIMP and DIMP inspections are covered in sections O & P. Procedures state that integrity management plans are to be reviewed annually to ensure remedial activities are conducted.
- c. Operator Qualification inspections are covered in section I.
- d. Damage Prevention inspections are covered in section M.
- e. Operator training is covered in section L.
- f. Construction inspections are covered in Section H.
- g. There is no LNG in Kentucky.

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|---|---|---|---|
| 2 | Do written procedures address inspection priorities of each operator, and if necessary each unit, based on the following elements and time frames established in its procedures? Chapter 5.1<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:

Risk based inspection priorities are found in part IV section B.

- a-e. Risk based considerations are defined in section B in part IV. These include operating history, type activity, system location and system threats.
- f. Units appear to be broken down properly.

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| 3 | (Compliance Procedures) Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1<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:

Compliance procedures are found in part V Section S. Procedures address Notice of violations, follow up, show cause , fines

and deficiency tracking.

- a. Procedures for notification of enforcement are found in Part V Section S (a) found on page 27. Exit interview and findings letters are found in Part V Section S on page 26.
- b. Deficiency tracking is addressed in part V Section S (b). Extended violations are tracked on a spreadsheet.
- c. Closure of deficiencies is addressed in part V section S(c).

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<b>4</b>	(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:

Investigation of Incidents is found in part V Section T. Part V section T(f) refers to a checklist used to encourage a more thorough investigation.

- a. The mechanism to receive reports of incidents is addressed in part V T(b). Page 39
- b. A procedure requiring a memo when an on-site investigation is not done is addressed at the end of part V Section T(b). Considerations to evaluate initial incident conditions is identified in part V section T(c). Page 39

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<b>5</b>	General Comments:	Info Only Info Only
	Info Only = No Points	

Evaluator Notes:

No issues with 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

- |   |   |   |   |
|---|---|---|---|
| 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:**

Darren Combs is a new inspector who has just started T&Q training. Mellissa goes out with new inspectors to ensure that they are qualified.

a-b. After reviewing T&Q records , it has be determined that Chris Bailey, David Nash Mike Nantz, Scott Morris and Melissa Holbrook have all completed gas core training, Gas IMP training, OQ qualification and investigation qualification.

c. There is no LNG in Kentucky

d. Mellissa Holbrook, Chris Bailey and Mike Nantz completed root cause training.

e. Inspectors went to the Kentucky gas expo for additional training.

f. Inspectors were qualified to perform inspection they performed

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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:**

Mellissa is core gas trained, IMP qualified and has taken her training to become investigation qualified, OQ qualified and root cause trained. She become program manager in 2019. She was hired as a Kentucky pipeline inspector in 2005 out of college.

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

**Evaluator Notes:**

No issues with Part C.

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

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|---|--|---|---|
| 1 | Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1<br>Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
|---|--|---|---|
- 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:

Inspection intervals were checked for all operators on the random inspection list for 2021 inspections.

- a. Standard inspection intervals were found to be within 5 years. Inspections are typically done every 3 years.
- b. Public awareness inspection intervals were found to be within 5 years. Inspections are typically done every 3 years.
- c. Drug and Alcohol inspection intervals were found to be within 5 years. Inspections are typically done every 3 years.
- d. Control Room Management intervals were found to be within 5 years. Inspections are typically done every 3 years.
- e. There is no LNG in Kentucky
- f. 112 of 543 inspection days were construction days. This means 21 % of the inspection days were construction days.
- g. Operator Qualification inspection intervals were found to be within 5 years. Inspections are typically done every 3 years.
- h. Distribution integrity management and transmission integrity management inspection intervals were found to be within 5 years. Inspections are typically done every 3 years.

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| 2 | Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1. Do inspection records indicate that adequate reviews of procedures, records and field activities, including notes and the appropriate level of inspection person-days for each inspection, were performed?<br>Yes = 10 No = 0 Needs Improvement = 1-9 | 10 | 10 |
|---|---|----|----|
- 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:

Inspection forms cover the code requirements addressed on the federal forms.

- a. The IA equivalent form is used and supplemented by a state form. All programmatic inspections are done when the standard inspection is done. The exception is separate programmatic inspections are performed for the big 5 operators. Forms were filled out completely.
- b. Public awareness inspections are performed using the IA equivalent form. All public awareness inspections are done when the standard inspection is done. The exception is separate public awareness inspections are performed for the big 5 operators. Forms were filled out completely.
- c. Drug and Alcohol inspections are performed using the IA equivalent form. All Drug and Alcohol inspections are done when the standard inspection is done. The exception is separate drug and alcohol inspections are performed for the big 5 operators. Forms were filled out completely.
- d. Control Room Management inspections are performed using the IA equivalent form. All control room management inspections are done when the standard inspection is done. The exception is separate inspections are performed for the big 5 operators. Forms were filled out completely.
- e. There is no LNG in Kentucky.
- f. The IA equivalent form is used for construction inspections.
- g. Operator Qualification inspections are performed using the IA equivalent form. All Operator qualification inspections are

done when the standard inspection is done. The exception is separate operator qualification inspections are performed for the big 5 operators. Forms were filled out completely.

h. IMP/DIMP inspections are performed using the IA equivalent form. All IMP/DIMP inspections are done when the standard inspection is done. The exception is separate IMP/DIMP inspections are performed for the big 5 operators. Forms were filled out completely.

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

Evaluator Notes:

OQ Protocol 9 is used for all standard inspections. Programmatic OQ plan review is performed during all standard inspections for smaller operators. Separate programmatic inspections are performed for the largest 5 operators. OQ forms were filled out completely and appropriately.

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| 4 | Is state verifying operator's integrity management Programs (IMP and DIMP)? This should include a review of plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operator's plan(s). 49 CFR 192 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><li>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?</li><li>c. Are the states verifying operators are including low pressure distribution systems in their threat analysis?</li></ol> | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Integrity management inspections are performed using the IA equivalent form. IMP/DIMP inspections are done during the standard inspection for all operators except the largest 5 operators. The largest 5 operators receive separately scheduled IMP/DIMP inspections.

- a. Mellissa reviews all IMP programs annually. These inspections include a review of plan updates and a review of monitoring progress. This review results in a review letter from the Commission. This information is tracked by Mellissa annually.
- b. Mellissa has developed a supplemental checklist which addresses the pipe defect issue. This checklist is used during every standard inspection.
- c. Mellissa has a supplemental checklist which addresses low pressure distribution risk. The supplemental question is used for every standard inspection.

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



- 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:

a-g Email or postal notifications are used to notify operators of NTSB recommendations. All recommendations are addressed and evaluated in a supplemental checklist developed by Mellissa.

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| 6 | Did the State verify Operators took appropriate action regarding advisory bulletins issued since the last evaluation? (Advisory Bulletins Current Year) | 1 | 1 |
|   | Yes = 1 No = 0 Needs Improvement = .5   |   |   |

Evaluator Notes:

A letter went out in 8/18/21 to all operators to notify them of the advisory bulletin to update inspection plans to eliminate hazardous leaks and minimize the release of natural gas from pipeline facilities.

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

All 2021 inspections on the random operators list were evaluated for 2021. Compliance activities were evaluated as part of this review.

- a. Compliance letters were sent to the appropriate chief official. For most inspections, this was the mayor.
- b. All violations were documented in the inspection checklist and found on the corresponding inspection letter.
- c. All 2021 violations were mitigated and closed.
- d. Mellissa has a spreadsheet that she uses to track probable violations. This spreadsheet is reviewed periodically.
- e. Compliance actions were taken for all violations identified in the inspection checklists.
- f. \$42,000 in penalties was assessed in 2021.
- g. Mellissa reviews, approves and monitors all compliance actions. Melissa signs all compliance letters.
- h. Operators have opportunities for hearing on probable violations.
- i. Exit interviews are conducted on the last day of the inspection.
- j. Findings letters are submitted within 60 days.

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| 8 | (Incident Investigations) Were all federally reportable incidents investigated, thoroughly documented, with conclusions and recommendations? | 10 | 10 |
|   | 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:**

There were three federally reportable incidents in 2021. These incidents were listed on the NRC report page. 30 day reports were submitted for all three incidents.

- a. Staff can be called 24 hours/day. Calls come in from the Emergency response center. An email goes to Mellissa. Inspectors are deployed as required.
- b. An investigation report was produced for each incident. Close out letters were submitted for each incident.
- c. Kentucky went on-site for all investigations.
- d. Observations were in the report.
- e. Contributing factors were in the report.
- f. Recommendations were in the report.
- g. No violations were identified as a result of the investigation.
- h. Historically, Kentucky staff has gone out and assisted AID. This was not done in 2021.
- i. Lessons learned are shared at the NAPSR Southern Region meeting. Lessons learned are also shared at the state's safety seminar.

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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<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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**Evaluator Notes:**

Last year one issue was noted during the evaluation. This was an error in application of some unsat items. This issue was addressed in a letter submitted to Michael Schmitt on 6/3/2021. Training as also conducted to correct this issue on July 1, 2021. A response was submitted to Zach on 6/8/2021. Kent Chandler is the current chairman.

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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<br>Info Only = No Points | Info Only | Info Only |
|-----------|---|-----------|-----------|

**Evaluator Notes:**

A safety seminar was conducted a month ago. An agenda and attendance sheet is kept as documentation.

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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:**

Melissa tracks NPMS submissions on a spreadsheet. This questions is also addressed in the States supplemental checklist.

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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:**

The state has a web page which includes one call information, laws, statistics and radio spots. The site also include statutes, regulations, notices and contact information. Other outreach strategies include emails and virtual meetings. The state also

meets with municipal operators and Public Service Commission staff have made presentations at the Kentucky Gas Association expo.

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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 |
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Evaluator Notes:

There were no SRC's in 2021. This was verified in 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 NAPS or PHMSA; and<br>b. PHMSA Work Management system tasks? | 1 | 1 |
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Evaluator Notes:

- a. Melissa keeps copies of survey e-mails with the date she responded written on the e-mail.
  - b. Melissa goes into WMS every time she receives a notice.
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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 |
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Evaluator Notes:

A waiver was issued for the Catlettsburg refinery allowing them to use ASME B31.2 for construction. This is not a regulated operator for the Kentucky PUC.

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

Information was readily available and retrievable.

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

Evaluator Notes:

Kentucky had 511 SICT days in 2021. The progress report had 543 days and 112 construction days which was 20% construction days. The GAC peer group did not have any concerns on Kentucky's SICT data. SICT data is derived from actual inspection numbers maintained on Mellissa spreadsheet. Inspection days come from inspectors weekly reports.

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| <b>18</b> | Discussion on State Program Performance Metrics found on Stakeholder Communication Info Only Info Only site.\ <a href="http://primis.phmsa.dot.gov/comm/states.htm?nocache=4805">http://primis.phmsa.dot.gov/comm/states.htm?nocache=4805</a><br>Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

Excavation damage per 1000 locates are trending down. They are currently at about 2.2 damages per 1000 requests. Inspection days per 1000 miles of gas pipe are trending up over the past three years. Master meter and LPG days were trending down but made a big jump in 2020. Inspector qualification core training and % 5 year retention trended downward with big drop in retention in 2020. Leaks eliminated were trending downward. Enforcement and incident score consistently maxed out at 100%. On May 3, an evaluation of state metrics was performed by Mellissa. Staff goes over metrics with Mellissa during this evaluation.

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|-----------|--|-----------|-----------|
| <b>19</b> | 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.<br>Info Only = No Points<br>a. <a href="https://pipelinesms.org/">https://pipelinesms.org/</a><br>b. Reference AGA recommendation to members May 20, 2019 | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

A presentation was made at the pipeline safety seminar. On June 23, 2021 a letter was sent supporting WMS.

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**20** General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No issues of concern were found on 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:

- Witnessed the field portion of a standard inspection of Columbia Gas Versailles Unit.
- This unit was last inspected in 2019.
- The operator was on-site during the inspection.
- Mike Nance was evaluated. He has 10 years with Kentucky and work for the Georgia's program before that.

- 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:

The IA equivalent form is used to document standard inspections. Daily tasks are documented on a state 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?)
- 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:

- Procedures were reviewed and referred to during the OQ protocol 9 portion of the inspection.
- Mike checked measuring equipment calibration records.
- Mike checked pipe to soil readings, rectifier checks, casing/isolation measurements and he also checked OQ using protocol 9.
- None
- Only a portion of the inspection was witnessed

- 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:

Mike has a good deal of experience, he asked good questions and oversaw the appropriate testing in the field.

- 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:

Mike did a wrap up. This was a portion of the standard inspection

- 6 Was inspection performed in a safe, positive, and constructive manner ? Info Only Info Only

Info Only = No Points

- a. No unsafe acts should be performed during inspection by the state inspector
- b. What did the inspector observe in the field? (Narrative description of field observations and how inspector performed)
- c. Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices)
- d. Other

Evaluator Notes:

- a. Mike wore the appropriate PPE. He was aware of hazards and conducted the inspection safely.
- b. Mike observed CP work. He observed pipe to soils readings, casing to soil readings, rectifier readings. he checked equipment calibration and OQ'd the CP tech.
- c. None
- d. Mike conducted the inspection in a professional manner. He had good rapport with the operator.

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7 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

There were no issues with 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**

- |          |  |   |   |
|----------|--|---|---|
| <b>1</b> | 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:**

Annual report information is tracked on a spreadsheet. Mellissa reviews annual reports. The operator is emailed when there are issues. Damage prevention inspections are done when an operator has more than 20 hits.

- |          |  |   |   |
|----------|--|---|---|
| <b>2</b> | 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:**

A damage prevention checklist was developed for this requirement? The questions in F2 are addressed in questions 27 & 28 of the damage prevention checklist. This checklist is used for damage prevention inspections.

- |          |  |   |   |
|----------|--|---|---|
| <b>3</b> | 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:**

These issues are addressed during the damage prevention inspection. The above questions are addressed in questions 36-45 of the checklist.

- |          |   |   |   |
|----------|---|---|---|
| <b>4</b> | 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><li>d. Has the state verified the operator is appropriately focusing damage prevention education and training to address the causes of excavation damages?</li></ol> | 2 | 2 |
|----------|---|---|---|

**Evaluator Notes:**

Damages per 1000 locate information is gathered from data mart. Questions 38, 39, 40 41-45 of the damage prevention checklist address the above questions.

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**5** General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

There were no issues with 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:

The Kentucky Public Service Commission is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 2 If inspections were conducted independent of a PHMSA team inspection was notice of all identified probable violations provided to PHMSA within 60 days? Info Only Info Only  
Info Only = No Points

Evaluator Notes:

The Kentucky Public Service Commission is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 3 If inspections were conducted independent of a PHMSA team inspection was PHMSA immediately notified of conditions which may pose an immediate safety hazard to the public or environment? Info Only Info Only  
Info Only = No Points

Evaluator Notes:

The Kentucky Public Service Commission is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 4 If inspections were conducted independent of a PHMSA team inspection did the state coordinate with PHMSA if inspections not were not included in the PHMSA Inspection Work Plan? Info Only Info Only  
Info Only = No Points

Evaluator Notes:

The Kentucky Public Service Commission is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 5 Did the state take direction from and cooperate with PHMSA for all incident investigations conducted on interstate pipelines? Info Only Info Only  
Info Only = No Points

Evaluator Notes:

The Kentucky Public Service Commission is not an interstate agent and does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:

The Kentucky Public Service Commission is not an interstate agent and does not have a 60106 agreement with PHMSA.

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