



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

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



2021 Gas State Program Evaluation -- CY 2021

Gas

State Agency: Tennessee

Agency Status:

Date of Visit: 10/03/2022 - 10/12/2022

Agency Representative: Bryce Keener, Director Gas Pipeline Safety Division

Travis Aslinger, Deputy Director

Darrin Ulmer, Utility Inspector

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

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

Name/Title: Herb H. Hillard, 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 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

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

Possible Points Points Scored

| | |
|----|----|
| 0 | 0 |
| 15 | 15 |
| 10 | 10 |
| 50 | 49 |
| 15 | 15 |
| 10 | 9 |
| 0 | 0 |

TOTALS

100 98

State Rating

98.0

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. A review of progress report was conducted 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 system operators. In CY2021 they had 141 operators and 156 units. All operators and inspection units were inspected.
- b. Number of inspection person days (949) exceeded the minimum requirement of 742. Construction days of 144 excess the required number of 141.
- c. Verification of operators in the Pipeline Data Mart (PDM) to progress report resulted in no issues. Info match attachments 1 & 3.
- d. One incident (MLGW) was reported for CY2021. The incident matched the number in PHMSA Portal.
- e. Number of carryover violations, seven, does not match previous year report of six. Program Manager stated, "error was incurred when data was entered". Program Manager will contact Carrie Winslow to have the error corrected in the final report. Twelve compliance actions were taken, and one civil penalty (\$60,000) was assessed and collected.
- f. A review of office records found no areas of concern with documents.
- g. Reviewed TQ Blackboard records. Seven inspectors have completed all mandatory training for a Gas Inspector. Three individuals have qualified as Gas IM Inspectors. One inspector is a category III, one inspector is category II and five are category I.
- h. Current civil penalty amount is \$100,000/\$1 M.
- i. No issues. Good description provided in each section of attachment 10.

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

PART B - Program Inspection Procedures

Points(MAX) Score

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

TN PUC was in the process of updating and re-formatting their written procedures. The new version had not been approved and resulted in this evaluator using the previous document to obtain answers to questions B1-B4.

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

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| 2 | Do written procedures address inspection priorities of each operator, and if necessary each unit, based on the following elements and time frames established in its procedures? Chapter 5.1 Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| | <ul style="list-style-type: none">a. Length of time since last 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 in Section IV. Item C & B.
- c. The type of activity being undertaken is found in Section V, item C, General Inspection Guidelines.
- d & e. Inspection units and identifying high-risk are in Section IV, item B.
- f. Inspection units are broken down correctly.

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| 3 | (Compliance Procedures) Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1 Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
| | <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 is in Section V, item R.
- b. Yes, this is in Section V item T, Notice of Probable Violation Tracking.
- c. Yes, this item is in Section V item U, Removal or Correction of a Notice of Probable Violation.

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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? 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. | 3 | 3 |
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Evaluator Notes:

- a. Yes, mechanism to receive, record & respond to operator reports are in Section VI item B.
- b. Yes, this item is in Section VI.

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| 5 | General Comments: Info Only = No Points | Info Only | Info Only |
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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 4.3 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:

Reviewed TQ Blackboard records and found seven inspectors have completed all mandatory training for a Gas Inspector. Three individuals have qualified as Gas IM Inspectors. One inspector is a category III, one is category II and five are category I. Two inspectors have completed the Root Cause and LNG course. Program Manager has recently completed all TQ courses to meet the Gas Inspector requirements within the five year time frame.

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

Yes, Mr. Keener has recently completed the mandatory TQ courses for the Gas Inspector path. He has demonstrated a working knowledge of the pipeline safety regulations and responsibilities of submitting the required documents for 60105 certifications with PHMSA. He has been employed as the Director, Pipeline Safety Division for three years.

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



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

Random generated operators to be checked for this evaluation period consisted of 22 distribution systems, 5 transmission companies and 2 LNG operators. A review all inspection reports provided of program manager for CY2016-CY2021 confirm all inspection operators and units were inspected in accordance to scheduled time frame except for four operators on the OQ inspection. Those operators are FOREXCO, INC, SMYRNA NATURAL GAS SYSTEM, HAWKINS COUNTY UTILITY DIST and LENOIR CITY UTILITIES BOARD. Listed below are the operators reviewed:

01. COALFIELD
02. HAWKINS COUNTY UTILITY DIST
03. SELMER NATURAL GAS SYSTEM
04. MEMPHIS LIGHT GAS & WATER DIVISION
05. LEXINGTON GAS SYSTEM
06. HALLS GAS DEPT, TOWN OF
07. MIDDLE TENNESSEE NATURAL GAS UTIL DIST
 - Crossville
 - Dayton
 - McMinnville
 - Smithville
 - Sparta
08. WEST TENNESSEE PUBLIC UTIL DIST
09. GREATER DICKSON GAS AUTHORITY
10. LOBELVILLE GAS CO
11. GALLATIN NATURAL GAS SYSTEM
12. HARDEMAN - FAYETTE UTILITY DISTRICT
13. TUMLINSON ENGINEERING, INC
14. FOREXCO, INC.
15. PIKEVILLE GAS SYSTEM, TOWN OF
16. SMYRNA NATURAL GAS SYSTEM, TOWN OF
17. MUNFORD GAS DEPT
18. POWELL CLINCH UTIL DIST
19. ETOWAH UTILITIES
20. LENOIR CITY UTILITIES BOARD
21. COUNCE
22. GIBSON COUNTY UTIL DI

Gas Transmission Operators

01. MEMPHIS LIGHT GAS & WATER DIVISION
02. WACKER POLYSILICON NORTH AMERICA, LLC
03. DOMTAR PAPER COMPANY
04. ATLAS PIPELINE TENNESSEE, LLC
05. ENREMA, LLC

LNG Facilities

01. Memphis Light Gas & Water Division
02. Piedmont Natural Gas Company

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| 2 | Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1. Do inspection records indicate that adequate reviews of procedures, records and field activities, including notes and the appropriate level of inspection person-days for each inspection, were performed? Yes = 10 No = 0 Needs Improvement = 1-9 | 10 | 10 |
| | <ul style="list-style-type: none"> a. Standard (General Code Compliance) b. Public Awareness Effectiveness 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.

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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 Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
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Evaluator Notes:

Yes, a review of the randomly selected operators for this review found four operators were not inspected in accordance with the agency's schedule. These operators have never been inspected for OQ. They were Forexco, Inc., Smyrna Natural Gas System, Hawkins County Utility District and Lenoir City Utilities Board. A loss of one point occurred.

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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 Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
| | <ul style="list-style-type: none"> 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? 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. A review of spreadsheet provided by Program Manager found the integrity management programs were conducted in accordance with the schedule inspection cycle.
- b. Yes, this information is in the supplemental questions at the end of the standard inspection form.
- c. Yes, this information is in the supplemental questions at the end of the standard inspection form.

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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 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.

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

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

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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 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 Board Chairman, Vice President, Executive Director, 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 assessed and collected a civil from Memphis Light, Gas & Water in the amount of \$60,000 in CY2021.
- 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.

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| 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 found one reported incident from Memphis Light, Gas & Water Division on 08-20-2021. The incident was a 3rd party hit on a 10" steel natural gas line in Millington, TN. No injuries occurred.
- 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 decision to not investigate is determined the reason is documented in the file.
- d. Yes. This incident involved a 3rd party damage. See email from Bryce on MLG&W incident.
- e to g.
- h. Yes, TN PUC provided information on the Memphis incident to PHMSA AID.
- i. Information on incidents is shared at the NAPS Southern Region Meetings.

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| 9 | Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 | 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 December 15, 2021, within the required sixty days.

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

Evaluator Notes:

Yes, the TGA D&O Conference and Safety Summit that were held in April & August in Murfreesboro and Montgomery Bell in 2021.

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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 | Info Only |
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Info Only = No Points

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). | 1 | 1 |
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Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, the TN PUC and TGA websites. No issues.

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

Evaluator Notes:

A review of Data Mart confirmed two safety related condition reports were filed. On 08-21-2021 Humphreys County Utility District filed a report due to flash flood occurred along Trace Creek in Waverly, TN. On September 15, 2021 Wacker Polysilicon North America, LLC filed a report due to MAOP. The TN PUC received information on each of the two SRCR and closed them after a review with the operator.

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| 14 | Was the State responsive to: | 1 | 1 |
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Yes = 1 No = 0 Needs Improvement = .5

- a. Surveys or information requests from NAPSR or PHMSA; and
- b. PHMSA Work Management system tasks?

Evaluator Notes:

Yes, Robert Clarillos, NAPSR Administrative Manager & PHMSA AID confirm participation and response to surveys have occurred on this evaluation period.

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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. | 1 | 1 |
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Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of PHMSA website and discussion found no waivers or special permits have been issued.

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

Evaluator Notes:

Yes.

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

Evaluator Notes:

Yes, Program Manager has an understanding of the data required and updated the information before the deadline date. Program Manager has a concern with accessing previous version of the document and would like to have more information on this topic.

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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 | Info Only |
|-----------|---|-----------|-----------|

Info Only = No Points

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 82 to 49. Hazardous leaks from 72 to 70 and total leaks eliminated from 175 to 147.

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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:

Yes, this was accomplished at the TGA Fall Management Meeting.

20 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

A loss of one point occurred on Question D.3 in this section.

Total points scored for this section: 49
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:

- RRO & P9 at Jefferson City Housing Authority
- This inspection unit was last inspected on Aug 25-26, 2021 (Corrosion & P9)
- Yes, Kenny Leonard, Maintenance Supervisor
- Darrin Ulmer has not been observed performing an inspection by this evaluator. He recently joined the TN PUC Pipeline Safety Division.

- 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, Darrin Ulmer used TN PUC inspection forms to conduct the inspection.

- 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:

- Observed the inspector asking questions and recording responses from operator on the inspection form.
- Yes, a review of records was checked with verification of maintenance dates.
- Observed the inspector taking pictures and recording information on the cathodic protection readings and odorization levels at regulator stations and test points.
- d & e. The inspection was of adequate length based on the items to be reviewed.

- 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:

Darrin Ulmer has completed all TQ courses to be an active Gas Pipeline Inspector. He was previously the program manager with the Idaho Public Utilities Commission.

- 5 Did the inspector conduct an exit interview, including identifying probable violations? (If inspection is not totally completed the interview should be based on areas covered during time of field evaluation) 1 1
- Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, an exit interview was performed the last day of the inspection visit. One item was found to be a potential non-compliance violation. Calibration records for CPV-4 voltmeter being used by the operator were found to be non-existent.

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. Yes, all safety practices were followed when performing the pipe-to-soil potential readings and sniff test of the odorant level at each test point.
- b. Observed pipe-to-soil readings and pictures taken at each of the regulator stations and test points.
- c. Excellent notes and readings were taken.

7 General Comments:

Info Only Info Only

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 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 | 1 |
|---|--|---|---|

Evaluator Notes:

The agency has made a good faith effort to review all operators' annual reports but did not perform an analyzes of the data on the root causes of damages. An example was found with Memphis Light, Gas & Water Department annual report. Information submitted was not correct and agency personnel failed to compare the data to previous year's filings. Improvement is needed in monitoring and reviewing data for trends and accuracy of information. A loss of one point occurred.

- | | | | |
|---|--|---|---|
| 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, the agency has made improvements in analyzing excavation damages by including this information into their inspection reports. When areas of concern are found they include TN811 in their discussion with the operator(s) on damages. Agency has conducted meetings with the operator on identifying excavators who have repeatedly violated TN One Call law.

Agency is currently reviewing trends on damage based on the national average. When the operator's annual report shows an increase above the national average and meeting is conducted with the operator to determine the upward trend.

- | | | | |
|---|---|---|---|
| 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 is required during their pre-inspection review to check the operator's annual report for accuracy and root cause issues. This information is listed in the agency's Pre-Inspection Checklist.
- b. & c. Yes. These items are listed in the Pre-inspection checklist.
- d. Yes, the inspector checks the operator's OQ of those individuals performing covered tasks during a construction or other maintenance activities performed by the operator.
- e. Yes, TN operators either requalifies or dismisses the individual from employment.
- f, g & h. This information is reviewed with each operator during the standard inspection.
- i. Yes, this item is reviewed during each inspection.
- j. This information is reviewed with each operator during 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? | 2 | 2 |
|---|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

- 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?
- 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 continue to be the stakeholder group with the highest number of damages.
- b. Yes, state agency is monitoring the operator's attendance and other stakeholder groups at TN PIPES Meetings which are focused on damage prevention education.
- c. Yes, "failure to locate and failure to not call" are the main reasons for damages.
- d. Yes, this is addressed in the Public Awareness Reviews & PIPES Meetings.

5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

A loss of one point occurred in this section in question F.1.

Total points scored for this section: 9
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