



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

1200 New Jersey Avenue SE
Washington DC 20590

2022 Gas State Program Evaluation

for

COLORADO PUBLIC UTILITIES 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



2022 Gas State Program Evaluation -- CY 2022

Gas

State Agency: Colorado

Agency Status:

Date of Visit: 07/18/2023 - 07/20/2023

Agency Representative: Casey Hensly, P.E. Program Manager, Programs, Enforcement, and Risk Engineer - COPUC

Kevin Stilson, Lead Engineer - COPUC

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

Michael Thompson, Transportation Specialist - PHMSA State Programs

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

Name/Title: Eric Blank, Chairman

Agency: Colorado Public Utilities Commission

Address: 1560 Broadway #250

City/State/Zip: Denver, Colorado 80202

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 2022 (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	46
15	15
10	10
0	0
100	96

TOTALS

State Rating **96.0**

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) City of Colorado Springs, City of Fort Morgan, and City of Trinidad are "home rule municipalities" as defined in Article XXV of the Colorado Constitution, which means that the PUC does not have the authority to interfere with home rule improvements, prohibiting the COPUC from conducting any compliance action or enforcement proceeding. The COPUC will be sending a letter requesting an agreement with PHMSA under 49 USC 60106 to ensure that COPUC is acting under the color of federal law when it inspects pipelines operated by municipal utilities.
 - a & c) Operator/Inspection Unit totals on Attachment 1 are consistent with the Operator/Inspection Unit totals on Attachment 3.
 - b) Met minimum inspection day requirement of 775 days. Actual field day total was 861.8.
 - d) Two federally reportable incidents listed. Verified in the PDM.
 - e) Number of PV's to be carried over from CY2020 to CY2021 not reported correctly. Actuals not submitted for correction as previously requested during the CY2021 program evaluation. For the CY2022 submittal, carry over, violations found and corrected count, compliance actions taken, number of civil penalties and dollars assessed incorrect. The program will be submitting a corrected PR.
 - g) Information verified through T&Q Blackboard training site. Training for personnel found to be complete and accurate.
 - h) Rule amendments adopted thru 7/1/2020. Working to adopt 3/12/2021 Gas Regulatory Reform amendment, 5/16/2022 Safety of Gas Gathering Pipelines, and 10/5/2022 Pipeline Safety amendments to Part 192.
- PR scoring 50 of 50 possible.

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



PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 1 | Do written procedures address pre-inspection, inspection and post inspection activities for each of the following inspection types: Chapter 5.1
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
| | <ul style="list-style-type: none">a. Standard Inspections, which include Drug/Alcohol, CRM and Public Awareness Effectiveness Inspectionsb. TIMP and DIMP Inspections (reviewing largest operator(s) plans annually)c. OQ Inspectionsd. Damage Prevention Inspectionse. On-Site Operator Trainingf. Construction Inspections (annual efforts)g. LNG Inspections | | |

Evaluator Notes:

Inspection procedures are covered in Section III, (D) of the Colorado pipeline safety program guidelines. Part D 2 includes general inspection guidelines. D 3 covers pre-inspection activities. D 4 covers performing inspections and includes general and specific guidance for the different types of inspections. D 5 covers ending inspections/post inspection activities including guidance for exit interviews with the operator on findings from the inspection.

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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:

Inspection priorities are covered in Section III (B) of the Colorado pipeline safety program guidelines. With Priority 3: State-wide risk model still in development. The model is broken into two areas, 1. Distribution Inspection Priority, and 2 Transmission/Gathering Inspection Priority. Together they cover the elements found in A thru E. The number of operator inspection units appears to be sufficient. Part C shows time intervals for each type of inspection. The state is working to update and modify their procedures addressing inspection priorities for implementation as soon as possible.

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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:

Yes, A thru C. Compliance actions are covered in Section III E of the Colorado pipeline safety program guidelines. The guidelines include 1. General Considerations, 2. Inspection findings versus compliance findings, 3. Compliance action recommendations, 4. Compliance action decision administration.

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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? | 3 | 3 |
|---|--|---|---|

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:

Yes, A and B. Incident investigations are covered in Section IV of the Colorado pipeline safety program guidelines. The guidelines include 1. Background and general considerations, 2. Incident investigation preparation, 3. Incident investigation reporting, 4. Geography information system data

5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No issues noted. No point deductions under Part B.

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
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:

No issues.

a & b: Staff who conducted CY2022 Standard, OQ, and DIMP/TIMP inspections as the lead were fully qualified.

c: Two inspectors have completed the LNG training but there are currently no LNG facilities in the state at this time.

d. Three staff inspectors have completed the root cause training.

e: One inspector attended and successfully completed the AMPP (formally NACE) CP Tester Level 1 course. The program has allowed newly hired staff who are assigned to the Construction, Qualification and Inspection section (CQI) to perform independent DT&C inspections based on their past pipeline industry training and work history.

f. Training verified through the T&Q Blackboard training site.

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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:

Casey Hensley has successfully completed the required T&Q Program Manager and Supervisory Gas Path training and course prerequisites requirements. She is waitlisted to attend the Failure Path training.

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

No issues identified. 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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|---|---|---|---|
| 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 | 2 |
| | <ul style="list-style-type: none">a. Standard (General Code Compliance)b. Public Awareness Effectiveness Reviewsc. Drug and Alcohold. Control Room Managemente. Part 193 LNG Inspectionsf. 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:

Three-point deduction for not meeting maximum inspection intervals for the following operators/inspection types. City of Colorado Springs (DIMP/DIMP Implement), Colorado Natural Gas (DIMP/DIMP Implement & GT-IM/GT-IM Implement), Black Hill Energy (DIMP/DIMP Implement), City of Ignacio (DIMP/DIMP Implement), Public Service Co of Colorado (DIMP/DIMP Implement), Williams Field Services (GT Standard Inspection).

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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 | 9 |
| | <ul style="list-style-type: none">a. Standard (General Code Compliance)b. Public Awareness Effectiveness Reviewsc. Drug and Alcohold. Control Room Managemente. Part 193 LNG Inspectionsf. Constructiong. OQ (see Question 3 for additional requirements)h. IMP/DIMP (see Question 4 for additional requirements) | | |

Evaluator Notes:

Except for MMO's and LPG inspections, the program utilizes the Inspection Assistant and IA Mobile applications for documenting inspection results. One-point was deducted as needing improvement related to the use of the IA Construction form and the need to provide more detail on what was observed by COPIC inspectors in the field. Program staff make excellent use of photos and attach additional documentation to support inspection findings.

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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 | 2 |
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Evaluator Notes:

Yes. 44,250 days devoted to OQ plan and OQ Field verification inspections in CY2022. Verified during State Programs review of COPUC inspection reports.

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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:

Yes. 99.77 field days devoted to IM plan and IM Implementation inspections in CY2022. Annual reviews are conducted for the state's largest operators. There are no low-pressure distribution systems in the state. Points deducted under question D-1 for not completing inspections within to the maximum five-year time interval stipulated.

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| 5 | <p>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</p> <p>Yes = 2 No = 0 Needs Improvement = 1</p> <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? | 2 | 2 |
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Evaluator Notes:

Yes. No known cast iron remaining in state. Three operators co working to replace remaining bare steel and other questionable materials. Total mileage remaining in CY2022 is 137.5 miles. Down from 160 miles in CY2021. Other items covered under relevant IA question sets.

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

Yes. One PHMSA advisory bulletin issued in CY2022 related to potential damage to pipeline facilities caused by land subsidence/ground movement. Covered under IA GT Screening question set (question 10) and IA GD DIMP Question 2 (Identified Threats). Verified during review of IA inspection documentation. Also discussed during operator seminars.

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| 7 | <p>(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</p> <p>Yes = 10 No = 0 Needs Improvement = 1-9</p> <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? | 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:

- a) Yes.
 - b) Yes.
 - c) PV's are tracked to resolution. As mentioned last year, a new database (Highland OnBase) incorporates a number of new features to better track open PV's as well other tools for documenting inspection history, GIS information, etc., that will assist the program in enhancing their risk-based inspection scheduling model.
 - e) Typically, yes however the program has not yet issued compliance actions for all CY2022 inspections completed. Letters have been delayed due to other CY2022 priorities. The six remaining compliance letters have been finalized and will be issued shortly with the exception of the City of Colorado Springs DIMP/Implement inspection due to existing exemptions outlined under the state's homerule municipalities - Article XXV of the Colorado Constitution. The COPUC is in the process of requesting a 60106 agreement with PHMSA.
- The program issues two types of compliance letters. Both of which note all probable violations identified.
- Warning Notices - In the instance of a probable violation that has no previous enforcement history and poses a low risk to public safety and/or pipeline/LNG facility integrity, the PSP Chief will issue a Warning Notice to an operator. The Warning Notice will advise the operator of the probable violation, require the operator to correct the probable violation or be subject to further enforcement action, and may require a formal written response from the operator on their corrective action plan so that a follow-up inspection can be scheduled.
- Notices of Probable Violation - In the instance of a probable violation of rules that has a previous enforcement history or poses a moderate to severe risk to public safety or pipeline or LNG facility integrity, the PSP Chief may issue a NPV to an operator. The NPV will advise the operator of the probable violation and include 1) a civil penalty calculation stating separately for each probable violation the maximum penalty amount provided and a total penalty; a civil penalty assessment evaluation that includes a conclusion for or against assessment of the civil penalty; a final recommended civil penalty assessment; as appropriate, the NPV will offer the operator a proposed alternative enforcement in lieu of the civil penalties; as appropriate, the NPV will include a compliance directive that prescribes specific actions to be taken by the operator within a specific timeframe to correct the violation; and a description of the operator's response options.
- f) Number of civil penalties issued in 2022 was 17. Dollars assessed \$4.8 million. Only \$5,000 dollars collected.
 - g) Yes.
 - h) Yes.
 - i) Yes. Exit briefings conducted at the end of the scheduled inspection. For the programs largest operator's, a standard inspection may be completed over the course of one year. When a probable violation has been identified the operator is notified immediately via verbal communication and written notice so as not to delay operator remediation of issue identified.
 - j) A copy of the IA "Post-Inspection Written Preliminary Findings" report is emailed to the operator within a week of the completed exit interview. A copy of the email is attached to the IA inspection.

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:

Two federally reportable incidents in CY2022. The ATMOS 11/24/2022 incident to be rescinded.
a & b. Yes. The program's new DORACPSP electronic incident form is coming on-line soon. This form will be used by on-call staff when receiving incident reports via the Pipeline Safety Emergency Line. The line is monitored 24 hours a day, 365 days a year, by GPSP staff. This form will be used not only for capturing initial incident report information, but also any additional data collected over the course of the investigation.
c thru h covered under Section IV of the program's written procedures should an incident occur. One investigation still open. No determination yet on probable violations and potential enforcement actions. The program maintains good communications with PHMSA AID.
i. Yes, typically during operator seminars and NAPSIR 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 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

Yes. The State Programs result letter was emailed to the Program Manager on 8/9/2022. The Chairman's response letter was received on 9/21/2022 and addressed the seven deficiencies noted here.
1. Not meeting the total minimum number of required person days as estimated by the COPUC via the State Inspection Calculation Tool.
2. Not meeting the minimum Allocation of Effort requirement where each pipeline inspector must devote a minimum of 85 inspection person-days to pipeline compliance activities each calendar year.
3. Not completing all inspections within 60 days of the maximum five-year time interval allowed in its procedures and PHMSA State Program Guidelines.
4. Not completing all inspection checklist questions and for utilizing state inspection forms that do not include similar content as federal forms.
5. Not completing IM verification inspections on all jurisdictional operators within the maximum five-year interval allowed.
6. Not providing written notification to operators for the preliminary findings discovered during the inspections within the 90-day requirement.
7. The Program Manager had less than one year in the position and for not having sufficient knowledge of PHMSA policies and programs.

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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 |
| | Info Only = No Points | | |

Evaluator Notes:

Yes. The State conducted a remote "Zoom" safety seminar on June 22, 2022. Reviewed the meeting agenda and the seven presentations' given.

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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 |
| | Info Only = No Points | | |

Evaluator Notes:

Yes. IA GT Records question set #17 of the Reporting Sub-Group.

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

Evaluator Notes:

The Commission's web site includes stakeholder information including Program Information, Pipeline Operators, Inspection Information, and Public Safety Education materials. Legal proceedings can be accessed through the e-filing Case

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

No SRCR's submitted by operators in CY2022. Two reported and currently open in CY2023. Reminded the PM to ensure that updates be provided in the WMS at a frequency not to exceed every 30 day until the SRC is closed.

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

The program responded to 9 of 16 surveys sent out in CY2022. No IM notifications in CY2022.

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| 15 | If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate.
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

1989 waiver still open (B.F. Goodrich/PSCO) un-odorized pipeline. Stipulations are 1) Install and maintain pipeline markers every 200' of 800' long pipeline. 2) Advise operator in writing of the hazards associated with using un-odorized gas. 3) Recommended installing leak detection equipment similar to that used in enclosed compressor stations (Not implemented). The operator also conducts twice yearly leak surveys under PUC order C89-766.

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

Yes. Documentation was made readily available. No issues.

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| 17 | Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT). Has the state updated SICT data?
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
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Evaluator Notes:

SICT has been updated in 2023. Adjustments made based on hiring of the seven additional inspection staff hired in CY2022.

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

Discussed CY2022 results. Pipeline damages per 1000 locate tickets continues trending down from CY2020. Now at approximately 1.8. The national average is 2.55. Significant increase in inspection days in CY2022 over prior year. Now at 13.75 per 1000 miles. % Core Training at approximately 42%. Five new inspectors hired in CY2022. No known CI in Colorado. Two LDC's and one municipal continue their unprotected bare steel replacement programs. Total mileage remaining at the end of CY2022 is 137.5 miles, down from 160 miles at the end of CY2021.

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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 = No Points
a. https://pipelinesms.org/
b. Reference AGA recommendation to members May 20, 2019 | Info Only | Info Only |
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Evaluator Notes:

Yes, in prior years. No new updates.

20 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

Total deductions under Part D are four points.

D-1: Repeat from prior year. Three-point deduction for not meeting inspection intervals for DIMP/DIMP Implementation, GTIM/GTIM Implementation, and GT Standard Inspections.

D-2: Repeat from prior year. One-point deduction for not providing enough detail on IA Construction form to support activities observed.

Total points scored for this section: 46

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:

- Construction
- On going
- Yes, Contract construction Foreman
- Observed Inspectors: Ryan Echer, Rich Keener, Todd Ellsworth, Brandon Johnson

- 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 inspectors use the PHMSA IA Generic construction on their ipads.
They are in the process of developing a guidance list of items to be covered under each topic.

- 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:

- Not as part of this inspection.
- No records reviewed on site.
- Procedures for each construction activity observed were verified to be on site with the crews.
- Activities observed: Trenching, Pot holing, Boring, PE Fusions, Locating.
- The inspection was of adequate length.

- 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, from the observations made each of the inspectors has adequate knowledge of the pipeline safety program and the regulations. The each have prior experience from working in the industry.

- 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, the foreman of the crews was briefed after the inspection and informed that no issues or concerns were found during this 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. No unsafe acts were observed.
- B. Activities observed: Trenching, Pot holing, Boring, PE Fusions, Locating.
- C. None
- D. None

7 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

The state is working to improve their inspection and documentation of construction inspection. They are developing a list of considerations and questions to be used in the process and procedures.

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



PART F - Damage prevention and Annual report analysis**Points(MAX) Score**

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

Evaluator Notes:

Discussed above average percent of Excavation Damages per Thousand Tickets and One-Call Notification Practice root cause excavation damages as reported by three of the five largest operators for CY2022. Provided a copy of CY2022 GD Excavation Damage data by Root Cause to be used by the state program for more discussion with their operators.

- | | | | |
|---|--|---|---|
| 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. Same as prior years. The program works with the Colorado 811 organization using their data and summary reports taken from DIRT to verify the program's own review of operator annual reports.

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

Discussed with the program CY2022 annual report data which indicates higher (well above) the national average percentages on damages related to Excavation Damages per 1000 tickets (2 Operators). One Call Notification Practices not Sufficient (3 Operators).

- | | | | |
|---|--|---|---|
| 4 | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests?
Yes = 2 No = 0 Needs Improvement = 1 <ol style="list-style-type: none">a. What stakeholder group is causing the highest number of damages to the pipelines? Operator, contractor, locating company or public.b. Has the state verified the operator is appropriately focusing damage prevention education and training to stakeholders causing the most damages?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. | 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:

Pipeline damages per 1000 locate tickets continues trending down from CY2020. Now at approximately 1.8. The national average is 2.55.

Same as prior years. The state works closely with the Colorado 811 organization and uses their data and summary reports collected from DIRT to verify the commissions own findings from reviewing annual reports. The state has also passed new regulations and rules to allow the use of civil penalties against those that violate the one call laws.

5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No point deductions under Part F.

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:

CO PUC 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:

CO PUC 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:

CO PUC 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:

CO PUC 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:

CO PUC 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:

CO PUC 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