



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

1200 New Jersey Avenue SE
Washington DC 20590

2012 Natural Gas State Program Evaluation

for

Oklahoma Corporation Commission

Document Legend

PART:

- O -- Representative Date and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- Program Performance
- D -- Compliance Activities
- E -- Incident Investigations
- F -- Damage Prevention
- G -- Field Inspections
- H -- Interstate Agent State (If Applicable)
- I -- 60106 Agreement State (If Applicable)



2012 Natural Gas State Program Evaluation -- CY 2012
Natural Gas

State Agency: Oklahoma

Agency Status:

Date of Visit: 02/11/2013 - 04/05/2013

Agency Representative: Dennis Fothergill, Pipeline Safety Manager

PHMSA Representative: Patrick Gaume

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

Name/Title: Ms. Patrice Douglas, Chairman

Agency: Oklahoma Corporation Commission

Address: 2101 N. Lincoln Blvd.

City/State/Zip: Oklahoma City, Oklahoma 73105

Rating:

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

INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2012 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. 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 space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on 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.

Field Inspection (PART G):

The field inspection form used will allow different areas of emphasis to be considered for each question. Question 13 is provided for scoring field observation areas. In completing PART G, the PHMSA representative should include a written summary which thoroughly documents the inspection.

Scoring Summary

PARTS

Possible Points Points Scored

A Progress Report and Program Documentation Review
B Program Inspection Procedures
C Program Performance
D Compliance Activities
E Incident Investigations
F Damage Prevention
G Field Inspections
H Interstate Agent State (If Applicable)
I 60106 Agreement State (If Applicable)

10 10
15 15
46 46
15 15
9 9
8 8
12 12
0 0
0 0

TOTALS

115 115

State Rating

100.0

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- | | | | |
|----------|---|---|---|
| 1 | Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1 (A1a)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

A1. Yes, Attachment 1 agrees with Attachment 3 & 8. Recommend Offshore Facilities be changed from 'A' to '60105'

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|----------|--|---|---|
| 2 | Review of Inspection Days for accuracy - Progress Report Attachment 2 (A1b)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

A2. Yes. Attachment 2 is in agreement with OCC State records

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|----------|--|---|---|
| 3 | Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3 (A1c)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

A3. Yes. Attachment 3 is correct; The two new operators who are not PDM were explained

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|----------|--|---|---|
| 4 | Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 (A1d)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

A4. Yes. 1 Gas Distribution incident & 1 HL accident, 2 reports

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|----------|--|---|---|
| 5 | Accuracy verification of Compliance Activities - Progress Report Attachment 5 (A1e)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

A5. Yes. Attachment 5 is internally consistent and in agreement with State records

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|----------|---|---|---|
| 6 | Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 (A1f, A4)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

A6. Yes, the paper files are in the Pipeline Section Office area and are well organized

- | | | | |
|----------|--|---|---|
| 7 | Was employee listing and completed training accurate and complete? - Progress Report Attachment 7 (A1g)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

A7. Yes. This information is auto loaded from the TQ database. Managers and individual inspectors double check their records. They also closely track the courses taken by every inspector

- | | | | |
|----------|---|---|---|
| 8 | Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

A8. Yes. The Oklahoma laws are properly cross referenced to Attachment 8

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|----------|--|---|---|
| 9 | List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 (H1-3) | 1 | 1 |
|----------|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A9. Yes. Staff status-historically authorized for 13 FTE, reduced to 12 FTE in 2008; On 4/23/12-14 FTE authorized & had 14 employees. Will have 15 FTE effective 7/1/13. In 2012 there were 2 hires. In transition toward electronic files, Continuing efforts to implement all 9 elements of Damage prevention. Is dedicating personnel resources toward CRM, PAPEI, IMP, OQ, & D&A inspections in addition to continuing with Standard, Special, & Construction inspections & responding to incidents and accidents

10 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

A10. OCC Pipeline Dept received approval for 15 FTE on 1/1/13 with an effective date of 7/1/13. The FTE will be a technical resource for IMP, OQ, PAPEI, CRM, and other specialized inspections. The Commission is working with the underground facility owners, excavators, property owners, local, county and state governmental entities and the board of directors for the One Call to bring the State's underground damage preventions statutes into compliance with 9 elements of the damage prevention part of the pipeline safety act of 2006. To date they have had three meetings and subgroups have been established to address all 9 elements. 2013 is a legislative year and Bills have been introduced to provide jurisdiction & enforcement over all 9 elements to the OCC

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



PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|----------|--|---|---|
| 1 | Standard Inspections (B1a)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

B1 Yes, have procedures in SOP pages 1-10. The SOP shows that Units are inspected every 2-3 years, but certain Systems in large Units may be on a 4-5 year rotation. Std insp 1-5 years per risk ranking

- | | | | |
|----------|---|---|---|
| 2 | IMP Inspections (including DIMP) (B1b)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

B2. Yes. IMP plan review is on an 8 yr cycle. It is presently not risk ranked. Changes in HCAs are addressed during Std Inspections using their Oklahoma Addendum. This round of scheduling is being driven by inspection frequencies

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|----------|---|---|---|
| 3 | OQ Inspections (B1c)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

B3 Yes. OQ plan review is on a 10 yr cycle and Protocol 9 inspections are included in most Standard Inspections

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|----------|--|---|---|
| 4 | Damage Prevention Inspections (B1d)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

B4. Yes, Damage Prevention is part of the Std Insp; see SOP pg 7 of 10.

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|----------|--|---|---|
| 5 | On-Site Operator Training (B1e)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

B5. Yes, see SOP pg 8 of 10

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|----------|---|---|---|
| 6 | Construction Inspections (B1f)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

B6 Yes. These inspections will be conducted as needed and as per the SOP pg 4 of 10

- | | | | |
|----------|--|---|---|
| 7 | Incident/Accident Investigations (B1g)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

B7 Yes. These inspections will be conducted as needed and as per the SOP pg 7 of 10

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|----------|---|---|---|
| 8 | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? (B2a-d, G1,2,4)
Yes = 6 No = 0 Needs Improvement = 1-5 | 6 | 6 |
|----------|---|---|---|

- | | | | |
|--|--------------------------------------|--------------------------|---|
| a. Length of time since last inspection | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. Type of activity being undertaken by operators (i.e. construction) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| 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) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

f. Are inspection units broken down appropriately?

Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

B8. YES, the various risk factors have been identified and written into the SOP pages 3-7 of 10. The database has been developed, is being used, and is being reviewed and refined for its value. Right now the value of the database is minimal to moderate. Discussion with other state program managers is on-going.

9 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

B9. The OCC is increasing staff to address IMP, OQ, CRM, PAPEI, etc, while continuing with Standard, construction, and incident/accident inspections. John Harper was promoted in July, 2012 to schedule and coordinate these newer inspections and to be a source of management support. It is everyone's goal to shrink re-inspection intervals to 7 years or less for every type of inspection.

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



PART C - Program Performance

Points(MAX) Score

- 1 Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 (A12) 5 5
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):
1220.50

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 $220 \times 8.32 = 1830.40$

Ratio: A / B
 $1220.50 / 1830.40 = 0.67$

If Ratio ≥ 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
Points = 5

Evaluator Notes:

C1 Yes. A=1220.5 person days. B=11.06 man years * 220 = 2433.2 person days. A/B= .502 . .502>.38, okay.

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines for requirements) Chapter 4.4 (A8-A11, G19) 5 5
Yes = 5 No = 0 Needs Improvement = 1-4

- | | | | | |
|----|--|--------------------------------------|--------------------------|---|
| a. | Completion of Required OQ Training before conducting inspection as lead? | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Root Cause Training by at least one inspector/program manager | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Note any outside training completed | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

C2 Yes, all inspectors & managers with 3+ years of service have passed all TSI core courses, and the new inspectors are taking courses and are scheduled for the rest. All Leads have the necessary courses.

- 3 Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 (A5) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C3 Yes, The Program Managers show a professional knowledge of the regulations.

- 4 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 (A6-7) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C4 Yes, The OCC Chairman responded in 14 days. Both items were addressed.

- 5 Did State hold PHMSA TQ Seminar in Past 3 Years? Chapter 8.5 (A3) 2 2
Yes = 2 No = 0

Evaluator Notes:

C5 Yes. OCC uses an 18 month TQ schedule. The last Seminar was in November, 2011; the next one is scheduled for May, 2013; both in Tulsa.

- 6 Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 (B3) 5 5
Yes = 5 No = 0 Needs Improvement = 1-4

Evaluator Notes:

C6 Yes, Units are being inspected in accordance with the SOP. Inspections are tracked to the System level & the year and type of inspection are recorded by System. CRM started in 2012. When the first round is completed, then follow-up

inspections will be part of Standard Inspections. PAPEI started in 2011 & target complete by 12/31/14. Re-inspection frequency has not been determined. DIMP started in 2012 & target complete by 12/31/14. Re-inspection frequency has not been determined.

- | | | | |
|---|---|---|---|
| 7 | 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 (B4-5)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

C7. Yes. OCC uses the current federal form supplemented with an addendum sheet.

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|---|--|---|---|
| 8 | Did the state review operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken? (NTSB) Chapter 5.1 (B7)
Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

C8 Yes. It was thought that there was no cast iron in the State; however 150 ft was found in OKC in July, 2012 and immediately abandoned. Detailed checks in the area found no additional cast iron. A regional review found no additional cast iron.

- | | | | |
|---|---|---|---|
| 9 | Did the state review 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) (NTSB) Chapter 5.1 (B8)
Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

C9 Yes. It was thought that there was no cast iron in the State; however 150 ft was found in OKC in July, 2012 and immediately abandoned. Detailed checks in the area found no additional cast iron. A regional review found no additional cast iron.

- | | | | |
|----|--|---|---|
| 10 | Did the state review 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? (NTSB) Chapter 5.1 (B9)
Yes = 1 No = 0 | 1 | 1 |
|----|--|---|---|

Evaluator Notes:

C10. Yes, OCC queries the Operator, and addresses it during Standard and OQ inspections. OCC has created an addendum sheet to address this question.

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|----|---|---|---|
| 11 | Did the state review 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? Chapter 5.1 (B10,E5)
Yes = 1 No = 0 | 1 | 1 |
|----|---|---|---|

Evaluator Notes:

C11. Yes, this is part of standard inspections and Incident investigations.

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|----|---|---|---|
| 12 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? Data Initiative (G6-9,G16)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----|---|---|---|

Evaluator Notes:

C12. Yes, OCC reviews the Form for completeness, miles of pipe, & lost and unaccounted for gas and trends it relative to prior years, also for data accuracy into various columns. Finally the spreadsheet has 16 years of annual report data.

- 13 Did state input all applicable OQ, IMP inspection results into federal database in a timely manner? This includes replies to Operator notifications into IMDB database. Chapter 5.1 (G10-12) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C13. Yes, all of the IMP & OQ inspections for 2012 have been uploaded, typically within 60 days of the inspection. There were no Operator notifications in 2012 that needed to be uploaded. The focus in 2012 was to continue to conduct Protocol 9 inspections in every Unit that had a standard inspection. Also to start IMP & OQ Plan Reviews.

- 14 Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission? (G14) 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

C14 Yes. It is a multiple year practice and it is now on the new Standard Inspection Form.

- 15 Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199 (I1-3) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C15 Yes. OCC uses Form 13 for each Standard Inspection Unit and Form 3.1.11 for HQ Plan Reviews.

- 16 Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 192 Part N (I4-7) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C16 Yes, the federal Form is used, and the re-inspections are within the SOP inspection interval.

- 17 Is state verifying operator's gas transmission integrity management programs (IMP) are up to date? This should include a previous review of IMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart O (I8-12) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C17 Yes, all Gas Operators have been contacted. All Gas Operators have either declared they have prepared a GIMP program or declared they have no HCAs. Every Gas Operator with an identified HCA has received a full GIMP Inspection. The inspections have been uploaded into the fed database. All Gas Operator Protocol A have been reviewed. The impact radii calculations and the HCA determinations have been verified during every GIMP review. All initial GIMP have been done and compliance with subpart O has been checked. Tests and remedial actions are being checked for compliance with their plan. All Gas Transmission Operators have had their first GIMP inspection, and they will be reviewed relative to what was found during the prior inspection. This question has been added to the Form 1 addendum sheet since November, 2010.

- 18 Is state verifying operator's gas distribution integrity management Programs (DIMP)? This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart P 2 2
DIMP ? First round of program inspections should be complete by December 2014

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C18. Yes, 32 DIMP inspections were done in 2012. The federal forms and protocols are being used, The inspections are uploaded into the database within 60 days following the inspection.

- 19 Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 192.616 (I13-16) PAPEI Effectiveness Inspections should be complete by December 2013 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C19 Yes. have reviewed and resolved with the Operator all the Clearing House and CATS exceptions. Also through records review during Standard Inspections and providing instruction about it during the public awareness meetings that are conducted several times per year. PAPEI inspections were started in 2011. Present target for first round of PAPEI Inspections is to be complete by 12/31/2014.

- 20 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). (G20-21) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

C20 Yes, is providing a Pipeline Safety Seminar every eighteen months instead of every 3rd year, Every inspector is providing 5 individual operator training sessions per year (9 inspectors * 5 sessions/inspector = 45 sessions per year), There are also 5 to 10 small operator training seminars given around the State each year. They participate in the Okie One Call (OPAL) public awareness program, also participate with several Operators in their programs, also participate with the PRC/ Pipeline Group public awareness program. They are continuing to work on the 9 elements from the 2006 PIPES ACT. All Operators have docket access and OCC is moving to establish a Pipeline Safety website where all finalized inspection reports, along with findings of violations, will be available to the public. Currently the Public has rights to request and receive paper and electronic records.

- 21 Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (B6) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

C21 Yes, Had 1 gas & 0 HL. SRCR are tracked similar to any other inspection, & updates are sent to the Feds.

- 22 Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? (G13) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

C22 Yes. Oklahoma's major Operators are all participants in the Plastic Pipe Study. They have uploaded their information into the study, and have stated they are willing to share their information with other Operators. It is noted that the Operators are not sharing the info with OCC or PHMSA..

- 23 Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA? (H4) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

C23. Yes, OCC works with NAPSRS, TQ, NTSB, PHMSA, and is on various committees. Dennis Fothergill is on the NAPSRS Committee that asks these questions.

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

Evaluator Notes:

C24 The rapid pace of the evolution and change of the Regulations is continuing, but the OCC is committed to meet those changes. Regulation demands and available manpower are regularly reviewed and applied for the most effective results and changes are reflected in the SOP. Staff has recently been increased to 15 FTE, an all time high.

Total points scored for this section: 46

Total possible points for this section: 46



PART D - Compliance Activities

Points(MAX) Score

- | | | | |
|----------|---|---|---|
| 1 | Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1 (B12-14, B16, B1h)
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Procedures to notify an operator (company officer) when a noncompliance is identified | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

D1. Yes, in the Department Guidelines (SOP) pg 8 & 9 of 10, & the Commission Rules & Practice, Chapter 13, Part 3 Procedure.

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|----------|--|---|---|
| 2 | 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 (B11,B18,B19)
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Were compliance actions sent to company officer or manager/board member if municipal/government system? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Were probable violations documented? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Were probable violations resolved? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Was the progress of probable violations routinely reviewed? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

D2. Yes, letters are sent to corporate officers or City managers per the SOP pg 9 of 10. The inspection reports, the NOPV, & Operator response are placed in the Operator file, & if the operator response is sufficient, the case is closed by the Pipeline Section. The PV are recorded as violations, but no closure letter is generally sent to the Operator. If the Operator has contested the NOPV and gone to commissioner's court, then upon conclusion of the court, a court determination is placed in the public record, and the legal staff sends a letter of final resolution to the operator. A review of 9 NG inspections: PLS-NG-09-044 PLS-NG-12-054, PLS-NG-12-111, PLS-NG-12-539, PLS-NG-12-211, PLS-NG-12-300, PLS-NG-12-440, PLS-NG-12-441, PLS-NG-12-465, PLS-NG-12-504, PLS-NG-12-553, PLS-NG-12-633; and 4 HL inspections: PLS-HL-12-009, PLS-HL-12-010, PLS-HL-12-026, & PLS-HL-12-028. shows the records to be in compliance with the procedures. Yes, it was done & the mechanism is in the SOP , pg 9 of 10.

- | | | | |
|----------|--|---|---|
| 3 | Did the state issue compliance actions for all probable violations discovered? (B15)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

D3. Yes, 70 in 2012, 91 in 2011, 54 in 2010, 55 in 2009, 47 in 2008, 105 in 2007, & 87 in 2006.

- | | | | |
|----------|--|---|---|
| 4 | Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary. (B17, B20)
Yes = 2 No = 0 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

D4 Yes, the mechanism is in the SOP, sec 165:20-13-15. Due process procedures are followed for all parties. In 2012 One contempt case was processed. Town of Freedom received a compliance order & a \$500 fine. In 2011 two contempt cases were processed. There were no actions in 2008, 2009, or 2010, & one action in 2007, to shut in a small town.

- | | | | |
|----------|---|---|---|
| 5 | Is the program manager familiar with state process for imposing civil penalties? Were civil penalties considered for repeat violations (with severity consideration) or violations resulting in incidents/accidents? (describe any actions taken) (B27)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

D5. Yes, Dennis knows the process for civil penalties, and the areas where he doesn't have civil penalty authority. Consideration for repeat violations is limited but for egregious and some repeat violations escalation of civil penalties are considered. Examples include both current Contempt (Show Cause) Hearings.

- 6 Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations? 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

D6. Yes. OCC has a history of issuing occasional fines. However, efforts by the Program Manager to start re-inserting a clause, for subjecting the operator to civil penalties if they fail to comply with the original compliance action, were vetoed by senior Commission officials.

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

Evaluator Notes:

D7 OCC is well able to enforce the regulations. OCC recognizes that increased use of civil penalties will likely be needed.

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



PART E - Incident Investigations

Points(MAX) Score

- 1 Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 (A2,D1-3) 2 2

Yes = 2 No = 0 Needs Improvement = 1

- a. Acknowledgement of MOU between NTSB and PHMSA (Appendix D) Yes ☒ No ☐ Needs Improvement ☐
- b. Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

E1. Yes, Appendix E specifies 1. Determine if safety violations occurred. 2. Determine root causes of the accident if asked by NTSB. 3. Cooperate with NTSB. Yes, the MOU between NTSB and OPS is understood, and OCC fully cooperates with NTSB. Yes, gas incidents are investigated and placed in the files. In addition, the incidents meeting State reporting criteria are in the files.

- 2 If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 (D4) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

E2. Yes, In 2012, the Federally reportable incident & the Federally reportable accident were investigated on-site. In addition most state reportable incidents were investigated on-site. However the SOP provides for telephonic reporting and after-the-fact follow up.

- 3 Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? (D5) 3 3

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

- a. Observations and document review Yes ☒ No ☐ Needs Improvement ☐
- b. Contributing Factors Yes ☒ No ☐ Needs Improvement ☐
- c. Recommendations to prevent recurrences when appropriate Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

E3. Yes, yes, yes, OCC uses the federal Form 11 for incident investigations. The events are documented and Appendix E is followed.

- 4 Did the state initiate compliance action for violations found during any incident/accident investigation? (D6) 1 1

Yes = 1 No = 0

Evaluator Notes:

E4. Yes, the SOP dictates action similar to any other violation.

- 5 Did the state assist region office by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 (D7) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

E5. yes, OCC is a full partner with PHMSA and has assisted PHMSA in the past on interstate incidents/accidents to ensure that incident reports are accurate & updated, and the reports are reviewed for completeness & to ensure that a final report is submitted.

- 6 Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPS Region meetings, state seminars, etc) (G15) 1 1

Yes = 1 No = 0

Evaluator Notes:

E6. Yes, OCC makes a report during the SW Region NAPSR Meeting, and responds as appropriate to email correspondence. In addition, lessons learned are shared at Safety Seminars, trade association meetings, and other training events.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

E7. In 2012, the 1 incident was due to a 3rd party hit, and the 1 accident was due to internal corrosion. Efforts continue to keep incidents and accidents minimized.

Total points scored for this section: 9
Total possible points for this section: 9



PART F - Damage Prevention

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 1 | Has the state reviewed 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? NTSB (E1)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

F1. Yes, it is addressed in standard inspections during review of line locate and one-call procedures. OCC has created an addendum sheet to address this question.

- | | | | |
|---|--|---|---|
| 2 | Did the state inspector check to assure the pipeline operator is following its written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system? (E2)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

F2. Yes, it is part of the Standard Inspection Forms for Form 1, Form 2, & Form 3.

- | | | | |
|---|---|---|---|
| 3 | Did the state encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (i.e. such as promoting/adopting the CGA Best Practices encouraging adoption of the 9 Elements, etc.) (E3)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

F3. Yes, OCC gives a One-Call & RP 1162 Seminar every 18 months and it includes T&Q Seminars. They also give a One-Call & RP 1162 Seminar in the annual Small Operator/Municipal presentations. OK requires that one call notifications be made, or Certified Projects be followed, or that pre-engineered & certified projects be followed as their means of enforcing Damage Prevention.

- | | | | |
|---|--|---|---|
| 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? (This can include DIRT and other data shared and reviewed by the pipeline safety program) (E4,G5)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

F4. Yes. OCC has required and received line locates, line hits, and line leaks from the One Call Center and all regulated operators. OCC is using spreadsheet analysis to learn that master meters have almost no risk of line hits. The study of line hits per thousand locates is interesting because the rate varies widely across the various classes of operators. The data includes regulated and non-regulated underground resources.

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

Evaluator Notes:

F5. OCC has been able to create a credible database and study by requiring the line locate, hit, and leak data. OCC continues to work toward achieving all 9 elements of Damage Prevention including effective civil penalties of excavators who violate the Damage Prevention regulations.

Total points scored for this section: 8
Total possible points for this section: 8

PART G - Field Inspections

Points(MAX) Score

- 1 Operator, Inspector, Location, Date and PHMSA Representative Info Only Info Only
Info Only = No Points

Name of Operator Inspected:

Oklahoma Natural Gas Company

Name of State Inspector(s) Observed:

Mike Bales, Inspector, OCC

Location of Inspection:

410 S. Garland, Enid, OK 73703

Date of Inspection:

2/11/13

Name of PHMSA Representative:

Patrick Gaume

Evaluator Notes:

G1. Oklahoma Natural Gas Company

Mike Bales, Inspector, OCC

410 S. Garland, Enid, OK 73703

Area Manger: Martie Oyler 580-249-2272 office

DOT Contact: Tracy Rowlett 405-641-6298 cell

2/11/13

Patrick Gaume

Standard Distr Inspection ? Form 2 with OCC addendum

- 2 Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (F2) 1 1
Yes = 1 No = 0

Evaluator Notes:

G2. Yes, advance notice was given & several operator personnel were present.

- 3 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) (F3) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

G3. Yes, Standard Distr Inspection ? Form 2 with OCC addendum

- 4 Did the inspector thoroughly document results of the inspection? (F4) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

G4. Yes, I witnessed some records review & mostly a Field review. There was thorough documentation of the portion I witnessed.

- 5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps,pyrometer,soap spray,CGI,etc.) (F5) 1 1
Yes = 1 No = 0

Evaluator Notes:

G5. Yes, multimeter, half cell, hand tools, keys, regulator & relief valve testing manifold.

- 6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) (F7) 2 2
Yes = 2 No = 0 Needs Improvement = 1
- a. Procedures ☒
- b. Records ☒

- c. Field Activities ☒
- d. Other (please comment) ☒

Evaluator Notes:

G6. Yes, I witnessed Records and Field.

7	Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) (F8) Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:

G7. Yes, Mike demonstrated a professional knowledge of his inspector duties.

8	Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) (F9) Yes = 1 No = 0	1	1
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Evaluator Notes:

G8. Yes, no violations, Comments included Balon valve replacement program, atmospheric corrosion on the Balon valves, wind erosion of soil under several fences, non-standard markings for line locates. A Best Practice is the field tagging of MOP for regulators and relief valves.

9	During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable) (F10) Yes = 1 No = 0	1	1
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Evaluator Notes:

G9. Yes, no violations, Comments included Balon valve replacement program, atmospheric corrosion on the Balon valves, wind erosion of soil under several fences, non-standard markings for line locates. A Best Practice is the field tagging of actual operating pressure for regulators and relief valves.

10	General Comments: What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) Other. Info Only = No Points	Info Only	Info Only
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- | | | | |
|----|-------------------------------|-------------------------------------|--|
| a. | Abandonment | <input type="checkbox"/> | |
| b. | Abnormal Operations | <input type="checkbox"/> | |
| c. | Break-Out Tanks | <input type="checkbox"/> | |
| d. | Compressor or Pump Stations | <input type="checkbox"/> | |
| e. | Change in Class Location | <input type="checkbox"/> | |
| f. | Casings | <input type="checkbox"/> | |
| g. | Cathodic Protection | <input checked="" type="checkbox"/> | |
| h. | Cast-iron Replacement | <input type="checkbox"/> | |
| i. | Damage Prevention | <input checked="" type="checkbox"/> | |
| j. | Deactivation | <input checked="" type="checkbox"/> | |
| k. | Emergency Procedures | <input type="checkbox"/> | |
| l. | Inspection of Right-of-Way | <input checked="" type="checkbox"/> | |
| m. | Line Markers | <input checked="" type="checkbox"/> | |
| n. | Liaison with Public Officials | <input type="checkbox"/> | |
| o. | Leak Surveys | <input type="checkbox"/> | |
| p. | MOP | <input checked="" type="checkbox"/> | |
| q. | MAOP | <input checked="" type="checkbox"/> | |
| r. | Moving Pipe | <input type="checkbox"/> | |
| s. | New Construction | <input type="checkbox"/> | |
| t. | Navigable Waterway Crossings | <input type="checkbox"/> | |
| u. | Odorization | <input checked="" type="checkbox"/> | |
| v. | Overpressure Safety Devices | <input checked="" type="checkbox"/> | |

- | | | |
|----|-----------------------------------|-------------------------------------|
| w. | Plastic Pipe Installation | <input type="checkbox"/> |
| x. | Public Education | <input type="checkbox"/> |
| y. | Purging | <input type="checkbox"/> |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/> |
| A. | Repairs | <input type="checkbox"/> |
| B. | Signs | <input checked="" type="checkbox"/> |
| C. | Tapping | <input type="checkbox"/> |
| D. | Valve Maintenance | <input checked="" type="checkbox"/> |
| E. | Vault Maintenance | <input type="checkbox"/> |
| F. | Welding | <input type="checkbox"/> |
| G. | OQ - Operator Qualification | <input type="checkbox"/> |
| H. | Compliance Follow-up | <input type="checkbox"/> |
| I. | Atmospheric Corrosion | <input checked="" type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

G10. A Best Practice is the field tagging of actual operating pressure for regulators and relief valves. .

Total points scored for this section: 12
Total possible points for this section: 12



PART H - Interstate Agent State (If Applicable)**Points(MAX) Score**

- | | | | |
|----------|---|---|----|
| 1 | Did the state use the current federal inspection form(s)? (C1)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

H1-8 NA ? not an Interstate Agent.

- | | | | |
|----------|--|---|----|
| 2 | Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? (C2)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

H1-8 NA ? not an Interstate Agent.

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|----------|---|---|----|
| 3 | Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? (C3)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

H1-8 NA ? not an Interstate Agent.

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|----------|--|---|----|
| 4 | Were probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (C4)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

H1-8 NA ? not an Interstate Agent.

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|----------|--|---|----|
| 5 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (C5)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

H1-8 NA ? not an Interstate Agent.

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|----------|---|---|----|
| 6 | Did the state give written notice to PHMSA within 60 days of all probable violations found? (C6)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

H1-8 NA ? not an Interstate Agent.

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|----------|--|---|----|
| 7 | Did the state initially submit documentation to support compliance action by PHMSA on probable violations? (C7)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

H1-8 NA ? not an Interstate Agent.

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|----------|--|--|--------------------|
| 8 | General Comments:
Info Only = No Points | | Info OnlyInfo Only |
|----------|--|--|--------------------|

Evaluator Notes:

H1-8 NA ? not an Interstate Agent.

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

PART I - 60106 Agreement State (If Applicable)**Points(MAX) Score**

- | | | | |
|----------|--|---|----|
| 1 | Did the state use the current federal inspection form(s)? (B21)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

I1-I7 NA ? not a 60106 Agreement State.

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|----------|--|---|----|
| 2 | Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan? (B22)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
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Evaluator Notes:

I1-I7 NA ? not a 60106 Agreement State.

- | | | | |
|----------|---|---|----|
| 3 | Were any probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (B23)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

I1-I7 NA ? not a 60106 Agreement State.

- | | | | |
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| 4 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (B24)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

I1-I7 NA ? not a 60106 Agreement State.

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| 5 | Did the state give written notice to PHMSA within 60 days of all probable violations found? (B25)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

I1-I7 NA ? not a 60106 Agreement State.

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| 6 | Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? (B26)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

I1-I7 NA ? not a 60106 Agreement State.

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

Evaluator Notes:

I1-I7 NA ? not a 60106 Agreement State.

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