



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

1200 New Jersey Avenue SE
Washington DC 20590

2013 Natural Gas State Program Evaluation

for

Tennessee Regulatory Authority

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)

2013 Natural Gas State Program Evaluation -- CY 2013
Natural Gas

State Agency: Tennessee

Agency Status:

Date of Visit: 07/07/2014 - 07/11/2014

Agency Representative: Annette Ponds, Chief, Gas Pipeline Safety Division

PHMSA Representative: Don Martin

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

Name/Title: Herbert H. Hilliard, Chairman

Agency: Tennessee Regulatory Authority

Address: 502 Deaderick Street, 4th Floor

City/State/Zip: Nashville, Tennessee 37243

Rating:

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

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 2013 (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	10	10
B	Program Inspection Procedures	15	15
C	Program Performance	46	46
D	Compliance Activities	15	15
E	Incident Investigations	8	8
F	Damage Prevention	8	8
G	Field Inspections	12	12
H	Interstate Agent State (If Applicable)	0	0
I	60106 Agreement State (If Applicable)	0	0
TOTALS		114	114
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
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Evaluator Notes:

No inaccuracies were found on Attachment 1. Inspection unit totals on Attachments 1 and 3 matched.

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:

Inspection person days were accounted for in the inspection log. No errors found.

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
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Evaluator Notes:

Operator information file confirmed the listing of operators and units on Attachment 3.

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
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Evaluator Notes:

Yes. The Pipeline Data Mart contained the same reportable incident information that was reported on Attachment 4.

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:

No accuracy issues found with information entered on Attachment 5.

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

No issues were found with the TRA's file organization. All files accessed were electronic.

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

Listing was complete. Training information was populated by PHMSA using TnQ database information.

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
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Evaluator Notes:

No information was found that showed Attachment 8 information was inaccurate.

9	List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 (H1-3) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:
No issues identified.

10 General Comments:
Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:
The TRA has generally complied with the requirements of Part A of this evaluation.

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:

Yes. Standard inspections are addressed in the inspection plan and procedures. Each distribution system operator will have a standard inspection conducted every other calendar year. Each intra-state transmission operator will have a standard inspection conducted each calendar year and a TIMP inspection if it is due that particular year. Each master meter operator will have a standard master meter inspection conducted annually and a DIMP inspection if it is due that year. Each LNG operator will have a standard LNG inspection conducted annually.

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

Evaluator Notes:

Transmission and distribution IMP inspections are included. Transmission will be conducted annually and DIMP inspections once every five years.

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

Evaluator Notes:

OQ inspections are included in the TRA's procedures.

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

Evaluator Notes:

Damage Prevention requirements, 192.614, are reviewed during standard inspections?

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

Evaluator Notes:

Yes. Operator training is addressed in the inspection plan and procedures. This inspection type is conducted on an as needed or requested basis.

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

Evaluator Notes:

Yes. Construction inspections are addressed in the inspection plan and procedures. They are conducted on an as needed basis.

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

Evaluator Notes:

Incident investigations are covered in the TRA's procedures.

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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 ☒ No ☐ Needs Improvement ☐

f. Are inspection units broken down appropriately?

Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

The TRA considers all of the items listed above. The TRA has a risk analysis process to schedule inspections based upon risk.

9 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

The TRA has generally complied with the requirements of Part B of this evaluation.

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):
516.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 4.58 = 1008.33

Ratio: A / B
516.00 / 1008.33 = 0.51

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

Evaluator Notes:

The minimum ratio was exceeded with 516 inspection person days equalling a ratio of 0.51.

- 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:

Yes. All training requirements as of 12/31/2013 were met or were on schedule to meet the required timeframe.

- 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:

The program manager received a program manager orientation in 2013. The program manager was an inspector/investigator prior to her appointment as program manager. She has gained a great deal of knowledge in a very short time. No issues were identified with her knowledge of PHMSA's pipeline safety program.

- 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:

The TRA responded within 42 days.

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

Evaluator Notes:

The TRA last held a seminar in 2011. The TRA has a seminar scheduled for 2014.

- 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:

All operators and units received an inspection in 2013

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
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Evaluator Notes:

The TRA uses federal forms for Standard, OQ, IMP, DIMP and Public Awareness. The TRA does not use federal form for construction.

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
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Evaluator Notes:

The TRA uses the federal form which covers this issue.

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
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Evaluator Notes:

The TRA uses the federal form which covers this issue.

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
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Evaluator Notes:

The TRA uses the federal form which covers this issue.

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
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Evaluator Notes:

The TRA uses the federal form which covers this issue.

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
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Evaluator Notes:

Yes. The annual report data is reviewed for accuracy. The data is input into the risk assessment spreadsheet.

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

The TRA gained additional intrastate transmission facilities upon East Tennessee Gas Transmission's termination of operation and maintenance activities for customer owned transmission facilities. The TRA is working to complete IMP inspections for these facilities. All other completed IMP and OQ inspections appeared to be uploaded into the databases.

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

Evaluator Notes:

The TRA uses the federal form which covers this issue.

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|-----------|--|---|---|
| 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)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

The TRA inspector verifies testing rates and operators compliance with its plan if positive test results are experienced.

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|-----------|--|---|---|
| 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)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

The TRA includes OQ requirements verification as part of its Standard Inspections. Inspection person days for this activity is included in Standard Inspections in Attachment 2 of the annual Progress Report.

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|-----------|--|---|---|
| 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)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

The TRA gained additional intrastate transmission facilities upon East Tennessee Gas Transmission's termination of operation and maintenance activities for customer owned transmission facilities. The TRA is working to complete initial IMP inspections for these facilities. The TRA continually verifies operators' implementation of IMP plans.

- | | | | |
|-----------|--|---|---|
| 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
DIMP ? First round of program inspections should be complete by December 2014

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

Evaluator Notes:

The TRA began DIMP inspections during 2011 after the proper training was completed. The TRA is on schedule to complete the first round of DIMP inspections by year end 2014.

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

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

Evaluator Notes:

The TRA completed Public Awareness Program Effectiveness Inspections for all operators prior to December 31, 2013.

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

Evaluator Notes:

Pipeline Safety has page on TRA's website. The TRA mails a newsletter to all operators and is available to public on the website. Website has link to Tennessee 811 website.

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|-----------|--|---|---|
| 21 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (B6)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

No issues were identified with the TRA's follow up on Safety Related Condition Reports.

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

Evaluator Notes:

Yes. The TRA provided written notification along with advisory bulletin to operators on this safety issue.

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|-----------|---|---|---|
| 23 | Did the state participate in/respond to surveys or information requests from NAPS or PHMSA? (H4)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

No instances were identified where the TRA did not respond.

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|-----------|--|-----------|-----------|
| 24 | 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.
Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

The program manager has reviewed the four special permits (waivers) currently on file. The TRA will invalidate or terminate any of the four that are no longer valid. Upon completion of the final outcome the TRA will provide written notification to PHMSA if a waiver has been terminated.

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|-----------|--|-----------|-----------|
| 25 | General Comments:
Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

The TRA has generally complied with the requirements of Part C of this evaluation.

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) 4 4
Yes = 4 No = 0 Needs Improvement = 1-3
- a. Procedures to notify an operator (company officer) when a noncompliance is identified Yes ☐ No ☒ Needs Improvement ☐
- b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns Yes ☐ No ☒ Needs Improvement ☐

Evaluator Notes:

Yes. Upon a review of the TRA's procedures, they contain procedures that meet the requirements of this evaluation question. The procedures are contained in the Rules of the Tennessee Regulatory Authority, Section 1220-4-5-.47 - Enforcement Procedures Governing Gas Pipeline Safety.

- 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) 4 4
Yes = 4 No = 0 Needs Improvement = 1-3
- a. Were compliance actions sent to company officer or manager/board member if municipal/government system? Yes ☒ No ☐ Needs Improvement ☐
- b. Were probable violations documented? Yes ☒ No ☐ Needs Improvement ☐
- c. Were probable violations resolved? Yes ☒ No ☐ Needs Improvement ☐
- d. Was the progress of probable violations routinely reviewed? Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Upon a review of randomly selected inspection report files, all compliance notifications were sent to the appropriate level of the organizations.

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

Evaluator Notes:

Upon a review of randomly selected 2013 inspection report files compliance notifications were sent for all inspections that results.

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

Evaluator Notes:

Yes. The TRA Rules provide for opportunity for response and proposal of alternatives, informal conference and to represent themselves in hearings before the directors.

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

Evaluator Notes:

The Chief is familiar with the process with imposing civil penalties. The TRA issued \$35,000 in civil penalties during 2013.

- 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:

The TRA collected \$35,000 in civil penalties from two enforcement cases during 2013.

- 7** General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

The TRA has generally complied with the requirements of Part D of this evaluation.

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:

Yes. The TRA has a mechanism to receive operator's notice of incident during and after work hours. The Chief is aware of the MOU between the NTSB and PHMSA. She is also knowledgeable about the cooperation between PHMSA and TRA in the event of an incident.

- 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:

All reportable incidents were investigated on site.

- 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:

Upon a review of all three incident investigation reports, there were no issues identified. The TRA included narratives on all three areas shown above.

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

Yes = 1 No = 0

Evaluator Notes:

There were no probable violations found in each of the three incidents that were reported during 2013.

- 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:

No issues were communicated to the evaluator that indicated this requirement was not met during 2013.

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

Yes = 1 No = 0

Evaluator Notes:

Yes. The TRA communicated incident information during the NAPSR Southern Region Meeting.

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

Evaluator Notes:

The TRA has generally complied with the requirements of Part E of this evaluation.

Total points scored for this section: 8

Total possible points for this section: 8

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:

The TRA uses the federal distribution inspection form. This item is covered on the form.

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

Upon a review of randomly selected files of inspections conducted in 2013, 192.614 portion of the federal inspection form was completed. This portion of the federal inspection form covers this requirement.

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

During standard inspections while covering 192.614 operators are encouraged to adopt best practices in their damage prevention programs.

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

The TRA uses the information now required on the annual reports. There has not been enough data collected to establish trends at this time.

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

Evaluator Notes:

The TRA has generally complied with the requirements of Part F of this evaluation.

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 = No Points | Info OnlyInfo Only |
|----------|---|--------------------|

Name of Operator Inspected:
Atmos (Shelbyville, TN Unit)

Name of State Inspector(s) Observed:
Julie Hubbs

Location of Inspection:
Shelbyville, TN

Date of Inspection:
July 9 -10, 2014

Name of PHMSA Representative:
Don Martin

Evaluator Notes:

The TRA inspector conducted a Standard Distribution Operator inspection of Atmos Energy's Shelbyville, TN operations unit. The evaluator observed an inspection of records on July 9th and inspection of test readings and valve maintenance on July 10th.

- | | | |
|----------|---|----|
| 2 | Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (F2)
Yes = 1 No = 0 | 11 |
|----------|---|----|

Evaluator Notes:

Yes. The operator had six representatives during the records portion of the inspection. The TRA inspector provided over two weeks notice to the operator prior to the inspection.

- | | | |
|----------|--|----|
| 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)
Yes = 2 No = 0 Needs Improvement = 1 | 22 |
|----------|--|----|

Evaluator Notes:

The TRA inspector utilized the federal "Standard Inspection Report of a Distribution Operator", revision date 5/2011 (latest revision that is not IA). The TRA inspector used the federal form as a guide in progressing through the inspection.

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|----------|---|----|
| 4 | Did the inspector thoroughly document results of the inspection? (F4)
Yes = 2 No = 0 Needs Improvement = 1 | 22 |
|----------|---|----|

Evaluator Notes:

All check boxes were properly and thoroughly noted on the form. The TRA inspector was very diligent in completing the inspection form.

- | | | |
|----------|---|----|
| 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)
Yes = 1 No = 0 | 11 |
|----------|---|----|

Evaluator Notes:

Yes. All test equipment was verified.

- | | | |
|----------|---|----|
| 6 | Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) (F7)
Yes = 2 No = 0 Needs Improvement = 1 | 22 |
|----------|---|----|

- | | | |
|----|------------------------|-------------------------------------|
| a. | Procedures | <input type="checkbox"/> |
| b. | Records | <input checked="" type="checkbox"/> |
| c. | Field Activities | <input checked="" type="checkbox"/> |
| d. | Other (please comment) | <input type="checkbox"/> |

Evaluator Notes:

The TRA conducted a thorough review of the operator's records for the time period since the last standard inspection. The

last standard inspection of this unit was conducted in February, 2010.

The TRA inspector reviewed pressure control testing at 5 regulator stations, approx. 20 Cathodic Protection test points and two road casing locations, approx. 15 valve inspections, inspected for atmospheric corrosion, observed odorant level checks at two locations and reviewed current construction activities.

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

Evaluator Notes:

The TRA inspector has been employed with the TRA for approximately one year. She has completed the PL1250 course along with the welding and compliance courses. She has pressure control, corrosion and incident investigation remaining to complete all of the required courses. She has spent considerable on the job training time with more experienced TRA inspectors on several inspections. She exhibited adequate knowledge to conduct a Standard Inspection of a Distribution Operator.

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

Evaluator Notes:

Yes. No issues.

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

Evaluator Notes:

No issues with this requirement.

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

- | | | |
|----|-------------------------------|-------------------------------------|
| 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 checked="" 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 type="checkbox"/> |
| k. | Emergency Procedures | <input checked="" 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 checked="" type="checkbox"/> |
| o. | Leak Surveys | <input checked="" type="checkbox"/> |
| p. | MOP | <input type="checkbox"/> |
| q. | MAOP | <input checked="" type="checkbox"/> |
| r. | Moving Pipe | <input type="checkbox"/> |
| s. | New Construction | <input checked="" 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 checked="" type="checkbox"/> |
| y. | Purging | <input type="checkbox"/> |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/> |
| A. | Repairs | <input checked="" 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 checked="" type="checkbox"/> |
| G. | OQ - Operator Qualification | <input checked="" type="checkbox"/> |
| H. | Compliance Follow-up | <input type="checkbox"/> |
| I. | Atmospheric Corrosion | <input checked="" type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

The TRA inspector generally complied with the requirements of Part G of this evaluation.

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:

The TRA is not an interstate agent.

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

The TRA is 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:

The TRA is 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:

The TRA is 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:

The TRA is 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:

The TRA is 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:

The TRA is not an interstate agent.

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

Evaluator Notes:

The TRA is 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**

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

Evaluator Notes:

The TRA does not have a Section 60106 agreement with PHMSA.

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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:

The TRA does not have a Section 60106 agreement with PHMSA.

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

The TRA does not have a Section 60106 agreement with PHMSA.

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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:

The TRA does not have a Section 60106 agreement with PHMSA.

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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 |
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Evaluator Notes:

The TRA does not have a Section 60106 agreement with PHMSA.

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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:

The TRA does not have a Section 60106 agreement with PHMSA.

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

Evaluator Notes:

The TRA does not have a Section 60106 agreement with PHMSA.

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