



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

1200 New Jersey Avenue SE
Washington DC 20590

2015 Hazardous Liquid 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 -- Accident Investigations
- F -- Damage Prevention
- G -- Field Inspections
- H -- Interstate Agent State (if applicable)
- I -- 60106 Agreement State (if applicable)



2015 Hazardous Liquid State Program Evaluation -- CY 2015
Hazardous Liquid

State Agency: Oklahoma
Agency Status:
Date of Visit: 08/01/2016 - 08/05/2016
Agency Representative: Dennis Fothergill, Manager of Pipeline Safety Department
 Kelly Phelps, Supervisor
PHMSA Representative: Don Martin
Commission Chairman to whom follow up letter is to be sent:
Name/Title: Bob Anthony, Chairman
Agency: Oklahoma Corporation Commission (OCC)
Address: 2101 North Lincoln Blvd.
City/State/Zip: Oklahoma City, Oklahoma 73105

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 2015 (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	13	13
C Program Performance	44	42
D Compliance Activities	15	15
E Accident Investigations	10	10
F Damage Prevention	8	8
G Field Inspections	11	11
H Interstate Agent State (if applicable)	0	0
I 60106 Agreement State (if applicable)	0	0
TOTALS	111	109
State Rating		98.2

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

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

Evaluator Notes:

The OCC's records and database confirm the operator and units information contained in Attachment 1. The number of inspection units in Attachment 1 are consistent with Attachment 3. No issues found.

- | | | | |
|---|--|---|---|
| 2 | Review of Inspection Days for accuracy - Progress Report Attachment 2
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

The OCC's records and database confirm the inspection person days entered into Attachment 2. No issues identified.

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

Evaluator Notes:

The total number of inspection units on Attachment 3 matched the total number on Attachment 1.

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

Evaluator Notes:

The incidents listed on Attachment 4 matched the three accidents shown in the Pipeline Data Mart. No issues.

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|---|--|---|---|
| 5 | Accuracy verification of Compliance Activities - Progress Report Attachment 5
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

The OCC's records and database confirm the data entries into Attachment 5. No issues found.

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

Evaluator Notes:

A review of the OCC's files and database indicated that they are organized and easy to obtain. No issues found.

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

Evaluator Notes:

Employee listing was correct. The training is downloaded from PHMSA TQ's SABA database. No issues identified.

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|---|---|---|---|
| 8 | Verification of Part 195,198,199 Rules and Amendments - Progress Report Attachment 8
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

No issues found with the OCC's entries on Attachment 8.

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|---|--|---|---|
| 9 | List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

The OCC provided adequate detail on accomplishments of its program in Attachment 10. No improvements identified.

10 General Comments:

Info Only|Info Only

Info Only = No Points

Evaluator Notes:

The OCC 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 Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 2 | 2 |
|---|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

The OCC's Guidelines, revised 2015, states Standard Inspections will be conducted on all Municipal, Master Meter and small Public Utility systems once every one to three years. Gas Transmission, Gathering and Large Public Utility will be inspected once every five years. Pre-inspection activities, inspection activities, post-inspection activities have been included in the procedures.

- | | | | |
|---|---|---|---|
| 2 | IMP Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The OCC's Guidelines, revised 2015, states Hazardous Liquid Pipeline IMP inspections will be conducted with three years of becoming jurisdictional with follow up inspections once every five years. Pre-inspection activities, inspection activities, post-inspection activities have been included in the procedures.

- | | | | |
|---|--|---|---|
| 3 | OQ Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Operator Qualification inspections are conducted as part of the Standard Inspections and follow the same interval as Standard Inspections.

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|---|---|---|---|
| 4 | Damage Prevention Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Damage Prevention inspections are conducted as part of Standard Inspections and follow the same intervals as Standard Inspections.

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|---|--|---|---|
| 5 | Any operator training conducted should be outlined and appropriately documented as needed. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The OCC's Guidelines, revised 2015, states that inspectors are required to conduct five training sessions per year for individual operators. The OCC will conduct five to ten sessions each year for small operators. Industry wide training sessions are to be conducted once every 18 months in conjunction with PHMSA TQ training staff.

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| 6 | Construction Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The OCC's Guidelines, revised 2015, states Construction Inspections are scheduled as they occur.

7	Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? Yes = 6 No = 0 Needs Improvement = 1-5	6	6
a.	Length of time since last inspection (Within five year interval)	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 area, 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 <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>

Evaluator Notes:

The OCC's Guidelines, revised 2015, states procedures that comply with elements (a. through (f. above.

8 General Comments:

Info Only = No Points

Info Only Info Only

Evaluator Notes:

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

Total points scored for this section: 13
Total possible points for this section: 13



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 5 5
 Yes = 5 No = 0
- A. Total Inspection Person Days (Attachment 2):
 293.00
- B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 220 X 2.49 = 547.80
- Ratio: A / B
 293.00 / 547.80 = 0.53
- If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
 Points = 5

Evaluator Notes:

The OCC exceeded the minimum number of inspection person days.

- 2** Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 5 3
 Yes = 5 No = 0 Needs Improvement = 1-4
- a. Completion of Required OQ Training before conducting inspection as lead? Yes No Needs Improvement
 - b. Completion of Required IMP Training before conducting inspection as lead Yes No Needs Improvement
 - c. Root Cause Training by at least one inspector/prgram manager Yes No Needs Improvement
 - d. Note any outside training completed Yes No Needs Improvement
 - e. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. Yes No Needs Improvement

Evaluator Notes:

As noted in the CY2015 program evaluation and shown below, the program manager has not completed all required courses. Two points are deducted. Program Manager Requirement - Program Manager has not completed the required courses within five years from the effective date of 1/1/2009 (effective date of Guidelines revision that added this requirement). The Program Manager successfully completed PL3251 - Safety Evaluation of Pipeline Corrosion Control Systems I but did not complete PL3252 - Safety Evaluation of Pipeline Corrosion Control Systems II before it was discontinued. PL3293 has now replaced PL3251 and PL3252. Program Manager has not completed PL3293.

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

Evaluator Notes:

No issues. Dennis Fothergill has been the manager of the OCC's program for over twenty six years. Dennis is very knowledgeable of pipeline safety regulations and the pipeline safety grant 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 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

The OCC responded in 48 days and addressed the issues in the letter. The program manager was scheduled to take course PL3293 as stated in the letter. For personal reasons the program manager had to reschedule to a later date.

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

Evaluator Notes:

Last seminar was held in May 2016. The previous seminar was held November 2014.

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

Yes. The OCC is on schedule to complete all inspections within the five year period.

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

The OCC uses the federal inspection forms for its inspections. A random sample of inspections conducted during 2015 showed that all applicable portions of the forms were completed appropriately.

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| 8 | 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 195.402(c)(5)?
Yes = 1 No = 0 | 1 | 1 |
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Evaluator Notes:

The OCC utilizes PHMSA's inspection forms. This requirement is covered on the PHMSA inspection form.

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| 9 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues?
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Program Manager enters data from annual reports into Microsoft Access. Reports are written to observe certain data and trends.

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| 10 | Did state input all applicable OQ, LIMP inspection results into federal database in a timely manner? This includes replies to Operator notifications into IMDB database. Chapter 5.1
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Upon a review of the OQ and Gas Transmission IMP databases the OCC has entered inspection information in a timely manner. No issues.

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| 11 | Has state confirmed intrastate operators have submitted information into NPMS database along with changes made after original submission?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

The OCC checks with the NPMS manager in Washington, DC each year to obtain information to compare with the OCC's data.

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| 12 | 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
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

The OCC conducted 13 Drug and Alcohol field investigations utilizing Form 13.

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| 13 | 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 195 Part G
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:



The OCC spent 8.5 inspection person days conducting OQ inspections. Three OQ plans were reviewed and 13 field inspections (Protocol 9) were conducted.

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| 14 | Is state verifying operator's hazardous liquid integrity management (L IMP) Programs are up to date? This should include a previous review of LIMP 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 195.452 Appendix C
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Fifteen inspection person days were spent on integrity management inspections during CY2015. Four plan inspections were conducted. Two field inspections were conducted.

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| 15 | 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 195.440 PAPEI Effectiveness
Inspections should be conducted every four years per RP1162
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

11 PAPEI inspections were conducted during CY2015.

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| 16 | 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).
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

The OCC's website has a section for Pipeline Safety. The OCC participates in the Okie One Call (OPAL) public awareness program. There are 5 to 10 small operator training seminars given around the State each year. All Operators have access to the OCC's docket system. The OCC is still progressing to establish a Pipeline Safety website where all finalized inspection reports, along with findings of violations, will be available to the public. The Public has rights to request and receive paper and electronic records.

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| 17 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

The Pipeline Data Mart showed all SRC's were closed. There were no know instances where the OCC did not follow up properly.

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| 18 | Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

No instances were found where the OCC did not respond.

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| 19 | 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.
Needs Improvement = .5 No = 0 Yes = 1 | 1 | 1 |
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Evaluator Notes:

The OCC does not have any open waivers with an operator.

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| 20 | Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated?
Needs Improvement = .5 No = 0 Yes = 1 | 1 | 1 |
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Evaluator Notes:

Yes, the OCC attended the NAPSRS National Meeting in Phoenix, AZ.



21 Discussion on State Program Performance Metrics found on Stakeholder Communication site ? <http://primis.phmsa.dot.gov/comm/states.htm> 2 2
Needs Improvement = 1 No = 0 Yes = 2

- a. Discussion of Potential Accelerated Actions (AA's) based on any negative trends Yes No Needs Improvement
- b. NTSB P-11-20 Meaningful Metrics Yes No Needs Improvement

Evaluator Notes:

The OCC is aware of the Metrics for Oklahoma that is found in the PRIMIS website maintained by PHMSA. All metrics are trending in a positive (improving) direction. The OCC also maintains and reviews more detailed information on damage prevention such as trends on individual operators.

22 General Comments:
Info Only = No Points

Info Only

Evaluator Notes:

Question C.2 - As noted in the CY2015 program evaluation, the program manager has not completed all required courses. Two points are deducted.

With the exception of Question C.2, the OCC has complied with the requirements of Part C of this evaluation.

Total points scored for this section: 42
Total possible points for this section: 44



PART D - Compliance Activities

Points(MAX) Score

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

Yes, the Inspection Guidelines provide these procedures on pages 7 to 9. The Commission Rules & Practice also provide procedures identifying steps. Also contained in Oklahoma Administrative Code Title 165: Chapter 20.

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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
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Were compliance actions sent to company officer or manager/board director if municipal/government system? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Document probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Resolve probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| d. | Routinely review progress of probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| e. | Were applicable civil penalties outlined in correspondence with operator(s) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Upon a review of randomly selected inspection reports completed in 2015, all aspects of these requirements were handled appropriately. No issues.

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

Evaluator Notes:

Upon a review of randomly selected inspection reports completed in 2015, compliance actions were taken for all probable violations. No issues.

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

Evaluator Notes:

Upon a review of randomly selected inspection reports completed in 2015, no instances were observed where the operator was not given due process to argue the allegations of non-compliance.

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|---|---|---|---|
| 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)
Yes = 2 No = 0 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, the Program Manager stated the following criteria: Actions caused damage to a third party or public. Repeat violation. Severity of violation. Cooperation of operator. Ability to pay can determine amount of penalty.

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

Evaluator Notes:

The OCC did not have an instance in 2015 that warranted issuing a fine to a hazardous liquid pipeline operator.



7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

The OCC 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 - Accident Investigations

Points(MAX) Score

- 1** Does the state have written procedures to address state actions in the event of an incident/accident? 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

On Page 8 of the OCC's Inspection Guidelines the OCC states the actions it will take in the event of an incident that meets federal reporting requirements. The OCC will investigate each incident on site unless an inspector. If an inspector is not immediately available to go onsite an initial investigation will begin by telephone.

- 2** Does state have adequate mechanism to receive and respond to operator reports of accidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 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 MOU between NTSB and OPS is understood, and the OCC is committed to fully cooperate with the NTSB. The OCC understands the written statement of cooperation between states and PHMSA in case of an incident. Gas incidents are investigated and reports placed in the files.

- 3** 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 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

All three incidents during 2014 were investigated on site.

- 4** Were all accidents investigated, thoroughly documented, and with conclusions and recommendations? 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 where appropriate Yes No Needs Improvement

Evaluator Notes:

Upon a review of the incident investigation reports the OCC met expectations on gathering observations and facts through site visit, document review and interviews. There were no probable violations found that would suggest recommendations be developed to prevent a recurrence.

- 5** Did the state initiate compliance action for violations found during any incident/accident investigation? 1 NA
Yes = 1 No = 0

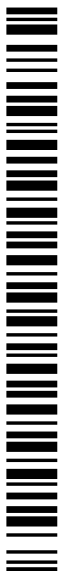
Evaluator Notes:

There were no probable violations found during the incident investigations.

- 6** Did the state assist region office by taking appropriate follow-up actions related to the operator accident 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 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

PHMSA's Southwest Region Office did not provide any feedback that indicated a need for improvement.



- 7 Does state share lessons learned from incidents/accidents? (sharing information, such as: 1 1
at NAPSRR Region meetings, state seminars, etc)
Yes = 1 No = 0

Evaluator Notes:

The OCC presented incident/accident details and lessons learned during the state of state presentation at the Southwest Region Meeting.

- 8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

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

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



PART F - Damage Prevention

Points(MAX) Score

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- | | | | |
|----------|---|---|---|
| 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?
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:
The OCC added this question to the standard inspection form addendum. It is covered during Standard Inspections.

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|----------|---|---|---|
| 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?
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:
Yes, this is covered during Standard Inspections when covering 195.442.

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|----------|--|---|---|
| 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.)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:
Yes, as of August 27, 2015 the OCC now will have authority to enforce violations of the Oklahoma Underground Facilities Damage Prevention Act for damages to Part192 and 195 regulated pipelines.

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

Evaluator Notes:
Damage information is collected from operators' annual reports. The OCC requests additional information from the operators. On a two year interval the information is farther broken down by damages caused by the operator (or operator's contractor) or a third party excavator. The information is analyzed and trended by the program manager.

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

Evaluator Notes:
The OCC 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 Info Only
 Info Only = No Points

Name of Operator Inspected:
 NGL Crude Terminals, OP ID 38924
 Name of State Inspector(s) Observed:
 Vince Eitzen (Lead) and Ron Smith
 Location of Inspection:
 Cushing, OK
 Date of Inspection:
 June 15 ,2016
 Name of PHMSA Representative:
 Don Martin

Evaluator Notes:
 The OCC conducted a Standard Inspection of NGL Crude Terminals pipeline facilities in Cushing, OK. The operator was represented by Travis Cundiff, Director of Operations and Compliance. The last inspection was conducted in 2013.

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

Evaluator Notes:
 The OCC notified the operator of the inspection in January. The operator was represented by Mr. Cundiff and the operator's cathodic protection, valve inspection and line locating staff.

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

Evaluator Notes:
 The OCC inspectors utilized PHMSA Form 3 - Standard Inspection of a Hazardous Liquid Pipeline Operator. The form was followed and documentation was added as the inspection progressed.

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

Evaluator Notes:
 All portions of Form 3 was completed and results documented.

5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps, valve keys, half cells, etc) 1 1
 Yes = 1 No = 0

Evaluator Notes:
 Yes. The voltmeter and half cell used for cathodic protection readings and line locator were reviewed for appropriateness. No issues were found.

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

- a. Procedures
- b. Records
- c. Field Activities
- d. Other (please comment)

Evaluator Notes:
 The procedures were reviewed at a time previous to the evaluation observation. Records, cathodic protection readings and



valve inspection were reviewed. Operator Qualification Protocol 9 was reviewed for cathodic protection, valve inspection and line locating.

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

Evaluator Notes:

Yes. The lead inspector has twelve years experience as a pipeline safety inspector. He also had experience in hazardous liquid pipeline operations. He has completed all of the required courses at PHMSA's Training and Qualifications.

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) 1 1
 Yes = 1 No = 0

Evaluator Notes:

Yes, he conducted an interview with Mr. Cundiff following the inspection.

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

Evaluator Notes:

There were no findings resulting in a probable violation.

10 General Comments: 1) What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) 2) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 3) Other Info Only Info Only
 Info Only = No Points

- a. Abandonment
- b. Abnormal Operations
- c. Break-Out Tanks
- d. Compressor or Pump Stations
- e. Change in Class Location
- f. Casings
- g. Cathodic Protection
- h. Cast-iron Replacement
- i. Damage Prevention
- j. Deactivation
- k. Emergency Procedures
- l. Inspection of Right-of-Way
- m. Line Markers
- n. Liaison with Public Officials
- o. Leak Surveys
- p. MOP
- q. MAOP
- r. Moving Pipe
- s. New Construction
- t. Navigable Waterway Crossings
- u. Odorization
- v. Overpressure Safety Devices
- w. Plastic Pipe Installation
- x. Public Education
- y. Purging
- z. Prevention of Accidental Ignition



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

No issues with the items covered. The OCC generally complied with the requirements of Part G of this evaluation.
 No best practices were identified.

Total points scored for this section: 11
 Total possible points for this section: 11



PART H - Interstate Agent State (if applicable)

Points(MAX) Score

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

Evaluator Notes:
The OCC is not an interstate agent.

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

Evaluator Notes:
The OCC is not an interstate agent.

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

Evaluator Notes:
The OCC is not an interstate agent.

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

Evaluator Notes:
The OCC is not an interstate agent.

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

Evaluator Notes:
The OCC is not an interstate agent.

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

Evaluator Notes:
The OCC is not an interstate agent.

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

Evaluator Notes:
The OCC is not an interstate agent.

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

Evaluator Notes:
Part H does not apply in this evaluation. The OCC 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

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

Evaluator Notes:
The OCC does not have a 60106 agreement with PHMSA.

2 Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
The OCC does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:
The OCC does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:
The OCC does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:
The OCC does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:
The OCC does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:
Part I does not apply in this evaluation. The OCC does not have a 60106 agreement with PHMSA.

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

