



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

1200 New Jersey Avenue SE
Washington DC 20590

2014 Hazardous Liquid State Program Evaluation

for

RAILROAD COMMISSION OF TEXAS

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)



2014 Hazardous Liquid State Program Evaluation -- CY 2014
Hazardous Liquid

State Agency: Texas

Agency Status:

Date of Visit: 03/17/2015 - 06/25/2015

Agency Representative: James Mergist, Program Manager

Jim Osterhaus, Director

Carrie Ebbinghaus, Program Team Lead

Stephanie Weidman, Pipeline Inspector Teal Lead

PHMSA Representative: Don Martin, Michael Thompson and Chris McLaren

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

Name/Title: David Porter, Chairman

Agency: Railroad Commission of Texas

Address: 1701 North Congress Avenue

City/State/Zip: Austin, Texas 78711-2967

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 2014 (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 Accident Investigations

F Damage Prevention

G Field Inspections

H Interstate Agent State (if applicable)

I 60106 Agreement State (if applicable)

10

13

43

15

11

8

12

0

0

10

10

39

15

9

6

12

0

0

TOTALS

112 101

State Rating

90.2

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

Evaluator Notes:

The RRC's database, Pipeline Evaluation System (PES), is utilized to populate data on operators and inspection units. PES is updated/revised when changes occur in operators and/or units. The report from PES at year end 2014 was compared to entries in Attachment 1. There were no discrepancies.

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

Evaluator Notes:

Inspection person days were supported by PES database reports. No issues with accuracy were identified.

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

Operator and Inspection Unit information on Attachment 3 were supported by the inspection database named PES. Inspection Unit totals match the totals on Attachment 1. No issues.

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

No issues that would result in a change of Progress Report scoring.

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

Evaluator Notes:

The entries on Attachment 5 are developed from reports generated by the Pipeline Evaluations System (PES). No issues identified with the supporting documentation. The number to be corrected as of Dec. 31 was calculated correctly from the carryover of probable violations from CY2013, probable violations found and those corrected in CY2014.

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

Evaluator Notes:

All files are kept electronically. The majority of program information resides in the Pipeline Evaluation System. No issues.

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

No issues with employee information.

- | | | | |
|----------|---|---|---|
| 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 with Rules and Amendments.

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

Evaluator Notes:

No issues with Attachment 10.

10 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

The RRC 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:

Standard inspections are covered in SOP 6B. Units are to be inspected once every four years not to exceed five years.

- | | | | |
|---|---|---|-----|
| 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 | 0.5 |
|---|---|---|-----|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

There should be more descriptive procedures that outline the follow up or monitoring after program inspection. The RRC should establish procedures that describe its actions to monitor assessments, assessment findings and mitigation actions. 0.5 points were deducted.

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

OQ procedures contained in Standard Operations Guide were adequate. No issues.

- | | | | |
|---|---|---|---|
| 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 and Public Awareness are conducted as specialized inspections (non Standard or Comprehensive). A reference to the proper inspection forms should be included in the SOG. No issues resulting in reduction of points.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

On-site operator training was covered in that the frequency was described - on as requested basis. However, the SOG should describe how the training is conducted and what material will be covered. No points deducted.

- | | | | |
|---|--|---|-----|
| 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 | 0.5 |
|---|--|---|-----|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The RRC's procedure should be more descriptive on how to determine construction activity within a system being inspected on a Standard Inspection. The procedures do not provide enough direction and description of what should be reviewed during a Construction inspection. 0.5 points were deducted.

- | | | | |
|----|---|--------------------------------------|---|
| 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 | 4 |
| a. | Length of time since last inspection (Within five year interval) | Yes <input type="radio"/> | No <input checked="" type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) | Yes <input type="radio"/> | No <input checked="" 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 type="radio"/> | No <input checked="" 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 type="radio"/> | No <input checked="" 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 RRC has a process to identify inspection priorities for Standard Inspections. The RRC is working on a process to establish priorities of specialized inspections (OQ, IMP, PA, DIMP, Damage Prevention, etc.). The process utilizes an algorithm to integrate risks. However, the algorithm is not capable of considering all risk factors entered into PES at the present moment. Improvement is needed in order for the algorithm to properly utilize all risk factor data and meet this requirement. Risk factors such as HCA's, pipe size and material, SMYS, leaks on mains and services are examples of factors not being utilized.

There are some inspection units that appear to be large but enough inspection resources are dedicated for the inspections of those units then this should not be an issue.

Two points are deducted.

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

Question B.2 - There should be more descriptive procedures that outline the follow up or monitoring after program inspection. The RRC should establish procedures that describe its actions to monitor assessments, assessment findings and mitigation actions. 0.5 points were deducted.

Question B.4 - Damage Prevention and Public Awareness are conducted as specialized inspections (non Standard or Comprehensive). A reference to the proper inspection forms should be included in the SOG. No issues resulting in reduction of points.

Question B.5 - On-site operator training was covered in that the frequency was described - on as requested basis. However, the SOG should describe how the training is conducted and what material will be covered. No points deducted.

Question B.6 - The RRC has a process to identify inspection priorities for Standard Inspections. The RRC is working on a process to establish priorities of specialized inspections (OQ, IMP, PA, DIMP, Damage Prevention, etc.). The process utilizes an algorithm to integrate risks. However, the algorithm is not capable of considering all risk factors entered into PES at the present moment. Improvement is needed in order for the algorithm to properly utilize all risk factor data and meet this requirement. Risk factors such as HCA's, pipe size and material, SMYS, leaks on mains and services are examples of factors not being utilized.

There are some inspection units that appear to be large but enough inspection resources are dedicated for the inspections of those units then this should not be an issue.

Two points are deducted.

Total points scored for this section: 10
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):
1484.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 8.20 = 1804.00

Ratio: A / B
1484.00 / 1804.00 = 0.82

If Ratio \geq 0.38 Then Points = 5, If Ratio $<$ 0.38 Then Points = 0
Points = 5

Evaluator Notes:

No issues with 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 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 IMP Training before conducting inspection as lead | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Root Cause Training by at least one inspector/prgram manager | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Note any outside training completed | Yes <input type="radio"/> | No <input checked="" type="radio"/> | Needs Improvement <input type="radio"/> |
| e. | Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

No issues found in meeting the required training requirements that required a reduction in points.

No outside training of significance was noted.

- 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:

The Program Manager, James Mergist, was appointed recently. However, Mr. Mergist was the Program Manager for the Louisiana pipeline safety program for many years prior to his retirement and subsequent employment with the RRC. No issues were identified in past evaluations in Louisiana and no issues were found with Mr. Mergist's knowledge during this evaluation.

- 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 RRC Chairman responded to the CY2013 Program Evaluation Letter in 51 days.

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

Evaluator Notes:

September 2014 was the last seminar. September 2013 was the previous seminar.

- 6 Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 5 4

Yes = 5 No = 0 Needs Improvement = 1-4

Evaluator Notes:

The RRC conducted 376 inspections of hazardous liquid operators during CY2014. Of those 376 inspections 26 were reviewed during the evaluation. Of the 26 reviewed 3 did not meet the five year time interval. Resources lost due to turnover and spent in incident investigations were considered. One point is deducted.

- | | | | |
|---|---|---|---|
| 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 | 2 | 2 |
|---|---|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

The RRC utilized PHMSA's inspection forms for Hazardous Liquid Pipelines during CY2014. Upon a review of randomly selected inspection reports, applicable portions of forms were completed.

- | | | | |
|---|--|---|---|
| 8 | Did the state review operator procedures for determining areas of active corrosion on liquid lines in sufficient detail? (NOTE: PHMSA representative to describe state criteria for determining areas of active corrosion) | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0

Evaluator Notes:

The requirement was covered on the RRC's inspection form.

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|---|---|---|---|
| 9 | Did the state adequately review for compliance operator procedures for abandoning pipeline facilities and analyzing pipeline accidents to determine their causes? (NOTE: PHMSA representative to describe state criteria for determining compliance with abandoning pipeline facilities and analyzing pipeline accidents to determine their causes) | 1 | 1 |
|---|---|---|---|

Yes = 1 No = 0

Evaluator Notes:

The requirement is covered on the RRC's inspection form.

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|----|--|---|---|
| 10 | Is the state aware of environmentally sensitive areas traversed by or adjacent to hazardous liquid pipelines? (reference Part 195, review of NPMS) | 1 | 1 |
|----|--|---|---|

Yes = 1 No = 0

Evaluator Notes:

The RRC obtains the information during its inspection of operators. It is covered on its inspection form.

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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 195.402(c)(5)? | 1 | 1 |
|----|--|---|---|

Yes = 1 No = 0

Evaluator Notes:

195.402(c)(5) is a line item on the RRC's inspection form. Upon a review of randomly selected inspection reports, 195.402(c)(5) results were documented on the inspection form.

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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? | 2 | 1 |
|----|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

The RRC enters data into an electronic file to capture information from the Annual Reports. The information is reviewed for accuracy during the transfer of information or review after entered into the electronic file. The RRC also utilizes the Pipeline Data Mart to obtain Annual Report information. The RRC has not initiated an analysis of data; especially the observation of trends. One point was deducted.

- | | | | |
|----|---|---|---|
| 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 | 2 | 1 |
|----|---|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

There were several instances where documentation of LIMP inspections were not entered in the IMDB. One point is deducted.

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- | | | | |
|-----------|--|---|---|
| 14 | 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 |
|-----------|--|---|---|
-

Evaluator Notes:

The RRC utilized PHMSA's Standard Inspection Form for Hazardous Liquid Pipelines. PHMSA's form has a question related to information submittal and changes to the NPMS database. Upon a review of randomly selected inspection reports the results of this question were documented on the form.

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

Certain portions of Part 199 are reviewed during Standard Inspections. The RRC did not conduct a full plan review during CY2014.

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

The RRC conducts OQ field requirements (Protocol 9) during Standard Inspections. The RRC spent 22 inspection person days during CY2014 verifying OQ programs. Full OQ program inspections should be conducted once every five years. 22 inspections will not equate to once every five years.

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- | | | | |
|-----------|--|---|---|
| 17 | 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:

The RRC spent 78 inspection person days during CY2014 verifying OQ programs. Full OQ program inspections should be conducted once every five years. 78 inspection person days will not achieve interval of once every five year intervals.

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- | | | | |
|-----------|---|---|---|
| 18 | 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 have been completed by December 2013
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
|-----------|---|---|---|
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Evaluator Notes:

The RRC conducts Public Awareness and Damage Prevention inspections simultaneously. 138 inspection person days were spent in CY2014 on Public Awareness and Damage Prevention inspections. The CY2013 program evaluation found that PAPEI inspections were not completed by December 31, 2013. The PAPEI inspections were not completed by December 31, 2014. One point was deducted.

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- | | | | |
|-----------|--|---|---|
| 19 | 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 |
|-----------|--|---|---|
-

Evaluator Notes:

No issues found.

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|-----------|---|---|---|
| 20 | 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 |
|-----------|---|---|---|

Evaluator Notes:

PHMSA's Southern Region Office provided feedback that indicated that the RRC could be more responsive but specific instances were given. The backlog of Safety Related Conditions Reports needing updates or closure is increasing.

- | | | | |
|-----------|--|---|---|
| 21 | Did the state participate in/respond to surveys or information requests from NAPSRR or PHMSA?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

No known instances where the RRC did not respond.

- | | | | |
|-----------|---|---|---|
| 22 | 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.(New Question for CY2013, no points until CY2015 evaluation conducted in CY2016.)
Info Only = No Points | 0 | 0 |
|-----------|---|---|---|

Evaluator Notes:

Reviewed waivers with the RRC. They will review in detail and respond to PHMSA if the waivers are no longer valid.

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|-----------|---|---|---|
| 23 | Did the state attend the National NAPSRR Board of Directors Meeting in CY being evaluated? (New Question for CY2014, no points first year)
Info Only = No Points | 0 | 0 |
|-----------|---|---|---|

Evaluator Notes:

No issues.

- | | | | |
|-----------|---|---|---|
| 24 | Discussion on State Program Performance Metrics found on Stakeholder Communication site ? (question will be rolled up and included as part of Question C-12 on future evaluations) http://primis.phmsa.dot.gov/comm/states.htm
Info Only = No Points | 0 | 0 |
|-----------|---|---|---|

Evaluator Notes:

The Performance Metrics for Texas on the PRIMIS website were reviewed with the RRC. They were not aware of the web page and were appreciative of the review. The RRC understands that they should identify strategies to improve any metrics that are trending in the wrong direction. The RRC was informed that this question may include points in the future.

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

Evaluator Notes:

Question C.6 - The RRC conducted 376 inspections of hazardous liquid operators during CY2014. Of those 376 inspections 26 were reviewed during the evaluation. Of the 26 reviewed 3 did not meet the five year time interval. Resources lost due to turnover and spent in incident investigations were considered. One point is deducted.

Question C.12 - The RRC enters data into an electronic file to capture information from the Annual Reports. The information is reviewed for accuracy during the transfer of information or review after entered into the electronic file. The RRC also utilizes the Pipeline Data Mart to obtain Annual Report information. The RRC has not initiated an analysis of data; especially the observation of trends. One point was deducted.

C.13 - There were several instances where documentation of LIMP inspections were not entered in the IMDB. One point is deducted.

Question C.16 - The RRC conducts OQ field requirements (Protocol 9) during Standard Inspections. The RRC spent 22 inspection person days during CY2014 verifying OQ programs. Full OQ program inspections should be conducted once every five years. 22 inspections will not equate to once every five years.

Question C.17 - The RRC spent 78 inspection person days during CY2014 verifying OQ programs. Full OQ program

inspections should be conducted once every five years. 78 inspection person days will not achieve interval of once every five year intervals.

Question C.18 - The RRC conducts Public Awareness and Damage Prevention inspections simultaneously. 138 inspection person days were spent in CY2014 on Public Awareness and Damage Prevention inspections. The CY2013 program evaluation found that PAPEI inspections were not completed by December 31, 2013. The PAPEI inspections were not completed by December 31, 2014. One point was deducted.

Question C.20 - PHMSA's Southern Region Office provided feedback that indicated that the RRC could be more responsive but specific instances were given. The backlog of Safety Related Conditions Reports needing updates or closure is increasing.

Total points scored for this section: 39
Total possible points for this section: 43



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
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:

No issues with procedures detailing steps to resolve probable violations were found.

- 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
- a. Were compliance actions sent to company officer or manager/board director 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:

No issues were identified that were significant enough to deduct points.

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

Evaluator Notes:

No instances were found in the random sampling of inspection reports completed in CY2014.

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

Evaluator Notes:

Due process of compliance actions was not an issue.

- 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) 2 2
Yes = 2 No = 0

Evaluator Notes:

The Program Manager was aware and provided a matrix showing considerations matched with civil penalty amounts.

- 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:

Yes, the RRC has consistently used its fining authority.

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

Evaluator Notes:

The RRC 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 1

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

SOG did not have complete procedures describing how decisions will be made to investigate on site or not. No procedures were present to describe what actions will be taken to investigate an incident when not on site. One point was deducted.

- 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:

No substantial issues.

- 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:

Based upon a review of all incident investigation files, no issues were found with the means employed to investigate incidents that were not investigated on-site.

- 4 Were all accidents investigated, thoroughly documented, and with conclusions and recommendations? 3 2

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 all incident reports none were found to include conclusions or recommendations to avoid future incidents. The RRC utilizes the federal incident investigation form to collect observations and factors but does not go any further. One point is deducted.

- 5 Did the state initiate compliance action for violations found during any incident/accident investigation? 1 1

Yes = 1 No = 0

Evaluator Notes:

No issues found.

- 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:

The PHMSA Region Office provided a list of outstanding incident reports but did not express a concern with the RRC's handling of the reports.

- 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:

Presentation at 2014 NAPSRR Regional Meeting was provided. The presentation listed incidents. The presentation could go into more detail on lessons learned and may have in the verbal portion of the presentation.

8 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

Question A.1 - SOG did not have complete procedures describing how decisions will be made to investigate on site or not. No procedures were present to describe what actions will be taken to investigate an incident when not on site. One point was deducted.

Question E.4 - Upon a review of all incident reports none were found to include conclusions or recommendations to avoid future incidents. The RRC utilizes the federal incident investigation form to collect observations and factors but does not go any further. One point is deducted.

Total points scored for this section: 9
Total possible points for this section: 11



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

Evaluator Notes:

The RRC's inspection forms used during CY2014 did not include an item to cover this requirement. The RRC has corrected this issue in the forms be utilized during CY2015. Two points were deducted.

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

Evaluator Notes:

Yes, the RRC's inspection forms cover this item when conducting a specialized Damage Prevention inspection.

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

Evaluator Notes:

Yes, David Ferguson, the Damage Prevention Manager, attends Damage Prevention Councils, the TQ Seminar and the annual Damage Prevention Summit. He delivers presentations during these meetings of stakeholders.

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

Yes, the RRC keeps data on damages, number of locates and other items. The information is analyzed on a state wide basis. The RRC might identify additional problem solving issues if it would drill deeper into the data to identify problematic areas such as operators, geographic areas, etc.

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

Evaluator Notes:

Question F.1 - The RRC's inspection forms used during CY2014 did not include an item to cover this requirement. The RRC has corrected this issue in the forms be utilized during CY2015. Two points were deducted. Question F.4 - The RRC might identify additional problem solving issues if it would drill deeper into the data to identify problematic areas such as operators, geographic areas, etc.

Total points scored for this section: 6
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:

Huston Ammonia Terminal

Name of State Inspector(s) Observed:

Samuel Copeland

Location of Inspection:

Huston Ammonia Terminal, 4403 Pasadena Freeway, Pasadena, TX

Date of Inspection:

April 14-16, 2015

Name of PHMSA Representative:

Michael Thompson

Evaluator Notes:

Standard Inspection, of a 6" Ammonia pipeline operated by Huston Ammonia Terminal, 4403 Pasadena Freeway, Pasadena, TX

- 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:

Yes, The operator had their Plant Manager/Supervisor present for the records portion of the inspection and had additional field staff scheduled to help with the field portion.

- 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:

Yes, The federal form was used to conduct this inspection.

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

Evaluator Notes:

Yes, Sam used his program provided laptop to conduct and keep notes to track his findings. In my review his notes were well organized.

- 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, Sam verified the equipment was in good working order and that the calibration dates were OK.

- 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:

Yes, spent two days on the procedures and records and one day in the field.

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

Evaluator Notes:

Yes, Sam has been with the Texas RRC for approximately 7 years and has completed all the required T&Q courses for the type of inspection conducted this week. The questions and discussions he had with the operator showed he had a good understanding of the code and the inspection process.

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

Evaluator Notes:

Yes, the exit interview was held on the afternoon of the last day of the inspection.

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

Evaluator Notes:

Yes, Sam laid out all the Probable Violations first and then went over some concerns and recommendations for the operator. He was clear and professional in his presentation.

- | | | | |
|----|--|-----------|-----------|
| 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 = 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 type="checkbox"/> |
| j. | Deactivation | <input type="checkbox"/> |
| k. | Emergency Procedures | <input type="checkbox"/> |
| l. | Inspection of Right-of-Way | <input 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 type="checkbox"/> |
| q. | MAOP | <input type="checkbox"/> |
| r. | Moving Pipe | <input type="checkbox"/> |
| s. | New Construction | <input type="checkbox"/> |
| t. | Navigable Waterway Crossings | <input type="checkbox"/> |
| u. | Odorization | <input type="checkbox"/> |
| v. | Overpressure Safety Devices | <input 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:

We drove as much of the pipeline as possible with the conditions, (Rainy and muddy) inspected two creek crossings, looked at two pig launcher/receiver sites and had the operator exercise some control valves. Sam also had the operator verify several PS reads along the pipeline.

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

Evaluator Notes:

The RRC does not have an interstate agreement with PHMSA.

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

Evaluator Notes:

The RRC does not have an interstate agreement with PHMSA.

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

Evaluator Notes:

The RRC does not have an interstate agreement with PHMSA.

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

Evaluator Notes:

The RRC does not have an interstate agreement with PHMSA.

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

Evaluator Notes:

The RRC does not have an interstate agreement with PHMSA.

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

Evaluator Notes:

The RRC does not have an interstate agreement with PHMSA.

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

Evaluator Notes:

The RRC does not have an interstate agreement with PHMSA.

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

Evaluator Notes:

The RRC does not have an interstate agreement with PHMSA.

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

Evaluator Notes:

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

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

Evaluator Notes:

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

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

Evaluator Notes:

The RRC does not have a Section 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?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

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

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

Evaluator Notes:

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

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

Evaluator Notes:

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

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

Evaluator Notes:

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

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