



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

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)



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

State Agency: Texas

Agency Status:

Date of Visit:

Agency Representative:

PHMSA Representative:

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

Name/Title:

Agency:

Address:

City/State/Zip:

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 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
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 10
13 12
44 42
15 15
11 8.5
8 8
12 12
0 0
0 0

TOTALS

113 107.5

State Rating

95.1

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:

PES tracks the number of operators and inspection unit data. Verified the number of operators and inspections in PES. No issues identified.

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

Inspection person days were supported by the RRC PES database. Inspection person days were reviewed and compared to the Progress Report with 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 |
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Evaluator Notes:

Reviewed the PES Database to verify the information in Attachment 3. Number of Operators and units were accurate and no issues were identified.

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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:

Reviewed the number of accidents with the PES database and found no issues. The number identified in the progress report were accurate.

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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:

Reviewed PES for total compliance activities and compared with Attachment 5. There were no issues identified.

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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:

All files are kept electronically. The electronic files are kept in the Pipeline Evaluation System, "PES" Database. No issues identified

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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:

Reviewed employee training in SABA and with the RRC Database and no issued identified with the list

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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:

There are a few periodic updates of regulatory references from 2015 that are yet to be adopted. Measures are being undertaken to adopt the changes

- 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:

Yes, reviewed accomplishments in attachment 10. The RRC was able to add 20 FTEs opening in 2015 which will give them a total of 63 inspectors

10 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

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:

Section 14.1.1 Pre-Inspection Planning procedure. Consideration should be given to previous violations, operating history and maintenance issues that may have previously occurred. These considerations can all be found via Pipeline Evaluation System (PES). Inspections are conducted comprehensively, but give particular attention to previous areas of concern. Standard inspections are on a five year interval. Procedures include pre and post inspection activities.

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

Section 17.1 for IMP 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:

Section 17.3 OQ Inspections has details for performing OQ inspections. OQ inspections are proposed to be on a five year inspection cycle.

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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:

David Ferguson is Supervisor for Damage Prevention Inspections, and he was interviewed.

Section 17.7 has details for Damage Prevention Inspections. Procedures give guidance to state inspectors that insure consistency in all inspections conducted by the state addressing pre-inspection activities, inspection activities, and post-inspection activities.

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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:

Hold yearly Pipeline Safety Seminar for pipeline operators. They need to take credit for all inspector time committed to the seminar.

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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:

Section 17.6 New Construction Evaluation has procedure for conducting new construction inspections. TAX 8.115 is Texas law that requires operators to report any new construction 30 days prior to constructing more than 1 mile of pipe. Law is

changing to 60 day notice and .1 miles of new pipe. The New Construction Lead Inspector must successfully complete required TQ courses prior to conducting any new construction inspections. This person should lead the evaluation with the assistance of other participating team members, if a team is utilized, and is to remain present during the duration of the evaluation. Have changed the process and procedure for conducting construction inspections. This was a big improvement from last year's evaluation.

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	5
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 type="radio"/>	No <input type="radio"/> Needs Improvement <input checked="" 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:

- a. Inspection intervals are at 5 year intervals.
- b. Operating history is included in their unit inspection risk ranking.
- c. Procedures include activities undertaken by operator.
- d. HCA's and population are part of the unit risk ranking.
- e. Needs to improve on procedure to include all threats for their risk ranking. Procedure does not mention corrosion, excavation damage, outside forces, equipment failure or other factors.
- f. Units are broken down mostly by operating area for Distribution and by mileage for Transmission.

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

Evaluator Notes:

- B-7 e. Needs to improve on procedure to include all threats for their risk ranking. Procedure does not mention corrosion, excavation damage, outside forces, equipment failure or other factors.

Total points scored for this section: 12
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):
1574.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 $220 \times 9.21 = 2025.10$

Ratio: A / B
 $1574.00 / 2025.10 = 0.78$

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

Evaluator Notes:

Inspector Person days to total person days ratio is acceptable. Compared inspection person-days with the PES database to verify total numbers.

- 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 checked="" type="radio"/> | No <input 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:

- a. The RRC has an in house training program for each new inspector. Each inspector goes through the training for at least 6 months. They accompany another seasoned inspector during the inspections to obtain on the job training. Joey Bass is the training coordinator who monitors each inspectors progress while they are in training. When the inspector is knowledgeable of the pipeline safety program he/she is checked out by an inspector and verified by the Program Manager. The inspectors also attend the required T&Q courses within 3 years.
- b. Reviewed DIMP/IMP inspections and found that all lead inspectors were qualified. Checked qualifications with SABA database.
- c. There are several inspectors that have taken the Root Cause training course.
- d. The RRC has an in house training program which is very lengthy so outside training is not attended. Due to travel funds outside training is limited.
- e. The RRC has an in house training program for each new inspector. Each inspector goes through the training for at least 6 months. They accompany another seasoned inspector during the inspections to obtain on the job training. Joey Bass is the training coordinator who monitors each inspectors progress while they are in training. When the inspector is knowledgeable of the pipeline safety program he/she is checked out by an inspector and verified by the Program Manager. The inspectors also attend the required T&Q courses within 3 years.

- 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:

Discussions with the state program manager during this evaluation indicated that she had adequate knowledge of the PHMSA program and regulations.

- 4 Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Letter was sent on 7/22/2105 and Chairman responded on 9/10/2015. No issue with respond time.

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

Evaluator Notes:

Yes, they hold a seminar every year. Last year the seminar was held on 9/15/2015

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

Evaluator Notes:

Reviewed inspection report files in PES and IMP/OQ databases and found several operator inspection intervals which exceeded the 5 year requirements. Specifically in the review there were IMP, OQ and CRM inspections that have exceeded the 5 year inspection interval per their procedures. The RRC has to improve in their inspection intervals and assure that each operator has each type of inspection performed in accordance to their written procedures.

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

Evaluator Notes:

Yes, the RRC utilizes their own forms which are comparable with the PHMSA forms. Reviewed inspection reports and found that all applicable portions of the inspection forms were filled out by the inspectors. No issues identified.

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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)? | 1 | 1 |
| | Yes = 1 No = 0 | | |

Evaluator Notes:

The HL Inspection form contains this question and is covered by the RRC. Recommendations were made to improve procedures by including data elements that inspectors should acquire and review for pre-inspection and pre-investigation activities to ensure history is included in analysis.

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

Evaluator Notes:

RRC reviews the annual reports during standard inspections and incident reports but do not analyze the data for accuracy, trends and operator issues. The RRC needs to improve by reviewing the annual reports and assuring the accuracy and compare with previous years reports and question any big discrepancies. In addition, incident/accident reports need to be analyzed for any trends and operator issues

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

Evaluator Notes:

For the OQ and LIMP inspections completed, Tx RRC input these reports into the appropriate PHMSA databases (OQDB, HL IMDB). IM Notifications are being handled in a timely manner and their status communicated to PHMSA for posting the status in the PDM and other public websites.

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

Evaluator Notes:

Yes, no issues

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

Evaluator Notes:

A drug and alcohol verification inspection is conducted on every inspection. The form is used to verify the operator's MIS information. Drug and Alcohol Program inspections are performed on every operator every 5 years. Procedures require the inspector to conduct a field Drug and Alcohol during every standard inspection.

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

Evaluator Notes:

TX RRC completed 19 OQ inspections in 2015 that are loaded into the PHMSA OQ DB. Inspections completed use inspection forms that 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 per 49 CFR 195 Part G. The individuals performing these inspections met PHMSA qualification requirements. Tx RRC is not meeting their 5 year re-inspection interval for all intrastate regulated Operator's OQ Plans.

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

Evaluator Notes:

TX RRC completed 10 Liquid IM inspection in 2015 that are loaded into the PHMSA HL IM DB. Inspections completed use inspection forms that include a previous review of LIMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the reviews take in to account program review and updates of operators plan(s) per 49 CFR 195.452 Appendix C. The individuals performing these inspections met PHMSA qualification requirements. Tx RRC is not meeting their 5 year re-inspection interval for all intrastate regulated Operator's IM Plans.

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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 | 2 | 2 |
| | Inspections should be conducted every four years per RP1162 | | |
| | Yes = 2 No = 0 Needs Improvement = 1 | | |

Evaluator Notes:

Have conducted 207 total Public Awareness reviews since the implementation of the rule. In CY2015 they performed 29 PAPEI inspections with a total of 87 inspector days. They did not complete the first round of inspections which were supposed to be completed by the end of 2013. The individuals performing these inspections met PHMSA qualification requirements. Tx RRC is not meeting their 5 year re-inspection interval for all intrastate regulated Operator's PA Plans.

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

Evaluator Notes:

RRC website has enforcement cases available to the public, provides operator resources such as guidelines for operating small distribution systems, has section for the TAC Code, section for any pipeline safety events coming up, and damage prevention section educating the public.

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|-----------|--|---|---|
| 17 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 | 1 | 1 |
|-----------|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Tx RRC executed appropriate follow-up actions to Safety Related Condition (SRC) Reports.

- 18** Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA? 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

TX RRC participated in/responded to surveys or information requests from NAPSRS and PHMSA.

- 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. 1 1

Needs Improvement = .5 No = 0 Yes = 1

Evaluator Notes:

Reviewed waivers issued by RRC. PES was currently updated to include the tracking of Waivers. RRC needs to assure that any waivers with requirements are being reviewed during inspections.

- 20** Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated? 1 1

Needs Improvement = .5 No = 0 Yes = 1

Evaluator Notes:

Yes.

- 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:

After reviewing the Texas RRC State Program Performance Metrics found on Stakeholder Communication site with the Program Manager and staff during this evaluation. PHMSA strongly encourages the TXRRC to review these metrics and develop strategies to improve if the metrics are trending in a direction that compromises pipeline safety.

- 22** General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

C.6 Reviewed inspection report files in PES and IMP/OQ databases and found several operator inspection intervals which exceeded the 5 year requirements. Specifically in the review there were IMP, OQ and CRM inspections that have exceeded the 5 year inspection interval per their procedures. The RRC has to improve in their inspection intervals and assure that each operator has each type of inspection performed in accordance to their written procedures.

C.9 RRC reviews the annual reports during standard inspections and incident reports but do not analyze the data for accuracy, trends and operator issues. The RRC needs to improve by reviewing the annual reports and assuring the accuracy and compare with previous years reports and question any big discrepancies. In addition, incident/accident reports need to be analyzed for any trends and operator issues

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

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 | 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:

SOG Section 14.6, 21 has steps to take when alleged violations are identified. Operators are required to submit a Plan of Correction with a date or number of days to correct the plan. The Program Manager approves or disapproves. If approved the operator must submit completion letter. If disapproved the operator must submit an amended plan of correction. All the deadlines are entered into PES and are tracked by PES. A delinquent list is generated by PES and letters are sent out to the delinquent operators. Section 14.2.2 has procedure to send correspondence to company VP. Will add mayor or city manager for municipalities and owner for master meters.

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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:

Compliance actions are tracked through the Pipeline Evaluation System (PES) Civil penalties are in statue and there are guidelines for assessment. No issues were identified.

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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:

No instances were found in the random sampling of inspections performed during the evaluation.

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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:

Texas Administrative Code (TAC) 121.206 and 207 has process.

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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:

Program Manager is aware of the civil penalty process. TAC 8.135 is law which states civil penalty actions. A panel consisting of Kari French, Jim Osterhous, and Stephanie Wiedner decide on accessing and the amount of civil penalty. They are now using the state guidelines for the amount of civil penalties.

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

Yes, issued civil penalties in the amount of \$304,125 and collected the entire amount during 2015.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

The RRC is generally complying with Part D of the 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:

Yes, the RRC has procedures in their SOG. Section 18.2.1 had changes to describe how decisions will be made to decide whether to conduct an onsite investigation. There is no issue to their procedures. Procedures, Section 19 does not adequately document actions to be taken when no onsite investigation is conducted.

- 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:

Have a 24 hour answering system that transfers calls to on call inspector. Section 18 has incident procedures. On site investigation will be conducted on all reportable incidents which is in section 18.2.1. Have acknowledgement of MOU and of federal/state cooperation in case of an incident/accident.

- 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 0.5

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

There needs to be an improvement on obtaining information to determine to not go on site. While reviewing incident reports there were some instances where there was no sufficient information gathered to understand the full extent of the incident.

- 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:

- a. RRC documents all observations in PES and on PHMSA Form 11.
- b. There were no contributing factors being followed up on after the initial investigation.
- c. The data from failure investigation needs to be integrated with other available information so that actions can be recommended to operators to prevent recurrences of failures.

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

Yes = 1 No = 0

Evaluator Notes:

Compliance actions/Violations were issued during 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:

The RRC did not assist on accident investigations but did stay on site on an interstate until PHMSA inspector was on site. They are also tracking and following up on 30 day reports.

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

Evaluator Notes:

Yes, RRC shares information during NAPS meeting on state of the state presentation.

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

Evaluator Notes:

RRC has procedures in their SOG. Section 18.2.1 had changes to describe how decisions will be made to decide whether to conduct an onsite investigation. There is no issue to their procedures. Procedures, Section 19 does not adequately document actions to be taken when no onsite investigation is conducted.

E.3 There needs to be an improvement on obtaining information to determine to not go on site. While reviewing incident reports there were some instances where there was no sufficient information gathered to understand the full extent of the incident.

E4. b. There were no contributing factors being followed up on after the initial investigation. c. The data from failure investigation needs to be integrated with other available information so that actions can be recommended to operators to prevent recurrences of failures.

Total points scored for this section: 8.5
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 | 2 |
|---|---|---|---|

Evaluator Notes:

The RRC inspection forms includes this question in a PHMSA requirement section within the form. The inspectors ask the question and verify with the operator at each inspection.

- | | | | |
|---|---|---|---|
| 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 inspectors verify the operators damage prevention activities during each inspection. They verify one call tickets, locates and excavation notifications.

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

The TX RRC did outreach in 21 locations in 2015 throughout the state promoting the CGA best practices and state rules and regulations. Gas association meetings, damage prevention seminars, industry meetings and stakeholder meetings.

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

Tx RRC collects data and evaluates trends on the number of pipeline damages per 1,000 locate requests that includes DIRT data elements. the data is shared and reviewed by the pipeline safety program. Data and performance metrics are posted at <http://www.rrc.texas.gov/pipeline-safety/pipeline-damage-prevention-program/additional-information/>, and include Damages Per 1000 Locates, Incidents Per Year, Top Ten - Root Causes, Top Ten - Type of Excavator, Top Ten - Type of Work Performed, and Top Ten - Type of Equipment. Evaluator discussed the use of advanced analytical techniques (line charts) and continued development of performance metrics that could identify seasonal causes and other leading indicators of incidents.

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

Evaluator Notes:

Tx RRC posts data and performance metrics at <http://www.rrc.texas.gov/pipeline-safety/pipeline-damage-prevention-program/additional-information/>. TAC 8.11 & 8.12 document the DP program and its penalties. In 2015, approximately 8,800 incidents occurred resulting in 8,792 reports (TDRFs) being submitted by Operators and 7,629 submitted by excavators. Fines totaling \$8,944,175.00 were collected by Texas. Tx RRC is considering incorporating training into their enforcement program that has been developed by Texas 811 to provide education and training for operators, contractors, and excavators identified as needing training - <http://www.pipelinedamagepreventiontraining.com/>.

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:

Western Refining Terminals, LLC

Name of State Inspector(s) Observed:

Leo Mundine

Location of Inspection:

El Paso, Texas

Date of Inspection:

May 23-27, 2016

Name of PHMSA Representative:

Agustin Lopez, State Programs

Evaluator Notes:

Evaluated Mr. Leo Mundine perform a hazardous liquid inspection of Western Refining Terminals, LLC 14" Diesel pipeline system in El Paso, TX. Mr. Mundine has been with the RRC for several years and is knowledgeable of the pipeline safety rules and regulations. He conducted himself very professional and explained the inspection process to the operator very well. He reviewed some procedures, records and concluded with a field inspection of the operators pipeline facilities.

- 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 was notified in advance to schedule the inspection and allow the operator the opportunity to have representatives present.

- 3 Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Mr. Mundine utilized the RRC Standard Inspection Checklist of a Liquid Pipeline Carrier to use as a guide during the inspection. The form captures all the federal and state regulations. He also utilized the RRC database PES to input and gather data from the operator.

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

Evaluator Notes:

Yes, Mr. Mundine documented the results of the inspection on the form and in PES.

- 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, Mr. Mundine verified that the operator had all equipment necessary to conduct the field inspection. The operator had maps, half cell and PPE.

- 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:

Mr. Mundine reviewed some sections of the procedures that pertained to the inspection. He instructed the operator that a full procedures review would be conducted at a later date. He also reviewed records and concluded with a field inspection of the operator's pipeline facilities.

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
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Evaluator Notes:

Yes, Mr. Mundine was knowledgeable of the pipeline safety program and regulations.

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
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Evaluator Notes:

Yes, Mr. Mundine concluded the inspection with an exit interview with compliance personnel and management. He mentioned any probable violations found during the inspection and explained the process of compliance actions.

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

Yes, Mr. Mundine summarized all probable violations found during the inspection. He explained how the compliance action process works.

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 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 checked="" type="checkbox"/>	
	m. Line Markers	<input checked="" type="checkbox"/>	
	n. Liaison with Public Officials	<input type="checkbox"/>	
	o. Leak Surveys	<input type="checkbox"/>	
	p. MOP	<input checked="" type="checkbox"/>	
	q. MAOP	<input 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 checked="" type="checkbox"/>	
	w. Plastic Pipe Installation	<input type="checkbox"/>	
	x. Public Education	<input type="checkbox"/>	

- | | | |
|----|-----------------------------------|-------------------------------------|
| y. | Purging | <input type="checkbox"/> |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/> |
| A. | Repairs | <input type="checkbox"/> |
| B. | Signs | <input 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:

During the field inspection, Mr. Mundine checked the cathodic protection levels, valve maintenance, technician qualifications, line markers, condition of ROW and checked for atmospheric corrosion.

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:
Not an Interstate Agent

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

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

Evaluator Notes:
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?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:
Not an Interstate Agent

- | | | | |
|----------|--|---|----|
| 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:
Not an Interstate Agent

- | | | | |
|----------|---|---|----|
| 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:
Not an Interstate Agent

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

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

Evaluator Notes:

Does not have an 60106 agreement

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

Does not have an 60106 agreement

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

Does not have an 60106 agreement

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

Does not have an 60106 agreement

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

Does not have an 60106 agreement

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

Does not have an 60106 agreement

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

Evaluator Notes:

Does not have an 60106 agreement

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