



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

1200 New Jersey Avenue SE
Washington DC 20590

2015 Gas State Program Evaluation

for

ARKANSAS PUBLIC SERVICE COMMISSION

Document Legend

PART:

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



2015 Gas State Program Evaluation -- CY 2015

Gas

State Agency: Arkansas

Agency Status:

Date of Visit: 06/14/2016 - 06/16/2016

Agency Representative: Bobby Henry-Chief, Pipeline Safety

PHMSA Representative: Agustin Lopez, State Programs

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

Name/Title: Ted J. Thomas, Chairman

Agency: Arkansas Public Service Commission

Address: 1000 Center Street

City/State/Zip: Little Rock, Arkansas 72201-4314

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	Incident Investigations
F	Damage Prevention
G	Field Inspections
H	Interstate Agent State (If Applicable)
I	60106 Agreement State (If Applicable)

10	10
13	13
50	50
15	15
11	11
8	8
12	12
0	0
0	0

TOTALS

119 119

State Rating

100.0

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

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

Evaluator Notes:

Verified operator/inspection data with APSC database and with Attachment 3. Only discrepancy was the total number of master meter operators inspected was more than the total number of master meter operators. This was due to inspecting a master meter that was eliminated due to the removal of master meter.

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

Evaluator Notes:

Reviewed Inspection Data Spreadsheet and compared with Attachment 2 data. Inspection days were accurate and matched up with their data.

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

Evaluator Notes:

Reviewed operator inspection units in APSC Pipeline Safety System and database to validate Attachment 3. There were no issues identified with Attachment 3.

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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:

There was a incident report in PDM but was more of a courtesy by the operator. It did not meet the reporting criteria. There were no other reportable incidents in Arkansas in 2015.

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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 Database which tracks compliance activities. The database was compared to Attachment 5 and all data was accurate. There were two findings which there were civil penalties assessed in late 2015 but were not legally assessed until 2016 so amounts were not included in 2015.

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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:

Files are kept both electronically and hard copies. Hard copies are scanned and kept in the APSC Pipeline Safety database and then kept in files for 10 years. Reports are also available to the public in their website.

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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:

Verified employee training with T&Q training records. APSC has inspectors that have taken the root cause analysis course, DIMP, IMP, and OQ to lead inspections. Do not foresee any problems in newer inspectors completing courses in the required time frame.

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|---|--|---|---|
| 8 | Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

In process of updating regulations. In process of preparing documents to update current code. The testimony of why rules are being updated and redline version of code are complete. No issues with Attachment 8.

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:

The APSC listed their planned performance which include to continue to provide public safety, complete removal of cast iron and bare steel. There are no issues with the planned performance and accomplishments.

10 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

The APSC is generally in compliance with Part A and Progress Report submission.

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



PART B - Program Inspection Procedures

Points(MAX) Score

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

Inspection procedures are given to each inspector at the beginning of each year during their yearly meeting. Reviewed procedures which include pre inspection and post inspection activities. The procedures have an interval of every 3 years not to exceed 5 years for each unit. Procedures gives guidance to inspectors on how to perform standard inspections from start to completion. No issues identified with procedures.

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|---|--|---|---|
| 2 | IMP and DIMP 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 VI of the APSC procedures have IMP and DIMP inspection procedure to give guidance to inspectors. The procedures include pre and post inspection activities.

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|---|--|---|---|
| 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 V of the APSC procedures has OQ inspection procedures to give guidance to state inspectors. The procedures include pre and post inspection activities for the inspectors to follow.

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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:

Section X of the APSC procedures has Damage Prevention procedures that give guidance to state inspectors during their inspections. The procedures include pre 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:

Section XII of the APSC procedures has operator training when requested by the operators.

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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 VIII of the APSC procedures includes Construction Inspection procedures to give guidance to state inspectors during construction inspections. The procedures include pre and post inspection activities.

- 7 Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? 6 6
Yes = 6 No = 0 Needs Improvement = 1-5
- | | | | |
|--|--------------------------------------|--------------------------|---|
| 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 areas, Population Density, etc) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| f. Are inspection units broken down appropriately? | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

- Procedures have inspection time frame of five years.
- Inspection plan includes the operating history of the operator as a risk indicator.
- Plan includes the type of activity undertaken by each operator.
- HCA and population are a risk factor.
- APSC has process to identify any high risk inspection units which include excavation damage, corrosion, outside forces, etc.
- Units are broken down appropriately in size and location.

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

The APSC is generally complying with Part B of the Evaluation.

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



PART C - Program Performance

Points(MAX) Score

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

A. Total Inspection Person Days (Attachment 2):
974.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 6.90 = 1518.73

Ratio: A / B
974.00 / 1518.73 = 0.64

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

Evaluator Notes:

Total inspection person days ratio was .64 which is acceptable.

- 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 DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Root Cause Training by at least one inspector/program manager | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Note any outside training completed | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| 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. verified lead inspectors for OQ have required OQ Training courses.
- b. APSC lead IMP inspectors have completed IMP/DIMP training completed.
- c. Several of APSC inspectors have completed the Root Cause Training course.
- d. no outside training in 2015.
- d. APSC inspectors have completed core courses to be lead inspectors.

- 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:

Yes, Bobby Henry is very knowledgeable of the pipeline safety 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:

Chairman did not need to respond to the Program Evaluation letter sent.

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

Evaluator Notes:

Last seminar that was held in state was in 2014 but the APSC co-hosts a seminar in Louisiana. Next in-state seminar will be held July 20-21, 2016.

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

Evaluator Notes:

Yes, the APSC inspects every operator units within the 5 year interval established in their procedures. They average about 18 months to 2 years between inspections.

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|----------|--|---|---|
| 7 | Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, APSC utilizes the PHMSA forms for their inspections. Reviewed inspection reports for completion and found no issues.

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

Evaluator Notes:

Yes, APSC utilizes PHMSA forms which cover cast iron graphitization which is reviewed by the inspector. There is about 47 miles of cast iron in Arkansas. By the end of 2016 there will only be about 7 miles due to replacement program.

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| 9 | Did the state review operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance) (NTSB) Chapter 5.1
Yes = 1 No = 0 | 1 | 1 |
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Evaluator Notes:

Yes, the APSC utilizes the PHMSA forms which cover the surveillance of cast iron pipelines. Reviewed inspection reports for completion of cast iron pipe questions.

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| 10 | Did the state review operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21? (NTSB) Chapter 5.1
Yes = 1 No = 0 | 1 | 1 |
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Evaluator Notes:

Yes, PHMSA Form addresses the emergency response procedures which the APSC utilizes for their inspections. Reviewed inspection reports to assure the questions are being answered.

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| 11 | Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 192.617? Chapter 5.1
Yes = 1 No = 0 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes. The APSC reviews operator records of accident and failures to assure operator response. Reviewed inspection reports and no issued identified.

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

Evaluator Notes:

Operators submit annual reports to the APSC which are reviewed for accuracy. The reports are posted on their website.

- 13 Did state input all applicable OQ, DIMP/IMP 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:

Reviewed OQ and IMP databases to assure inspection results are being uploaded. Verified that inspections were uploaded into the databases. APSC has performed OQ and IMP inspections in 2015 which have been uploaded into the IMDB and OQDB.

- 14 Has state confirmed intrastate transmission 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:

The APSC utilizes the Addendum to the form which verifies if the operator has submitted updates to the NPMS>

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

Evaluator Notes:

Yes. The APSC verifies the drug and alcohol tests during the inspections. They did not perform any drug and alcohol inspections in 2015 but have conducted all operator drug and alcohol inspections in 2016.

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

Evaluator Notes:

Yes. Reviewed APSC OQ inspection reports and the OQDB and the APSC is reviewing the OQ programs of their operators. In addition they perform field inspections to assure technicians are qualified to perform covered tasks.

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

Evaluator Notes:

Yes, reviewed IMDB and the APSC uploaded their program review inspections of the IMP programs. They are within the 5 year interval in accordance with their procedures.

- 18 Is state verifying operator's gas distribution integrity management Programs (DIMP)? 2 2
This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart P DIMP ? First round of program inspections should have been complete by December 2014
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Completed all DIMP inspections of all operators in 2014. Will start the second round of DIMP inspections in 2016, none were performed in 2015.

- 19 Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 192.616 (I13-16) PAPEI 2 2
Effectiveness Inspections should be conducted every four years per RP1162
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Completed all Public Awareness inspections in 2013. Conducted one Public Awareness inspection in 2015. Also review Public Awareness programs during standard inspections.

- 20** Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public). 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

APSC has website which communicates all information from inspections to pipeline data to the entire public and stakeholders.

- 21** 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:

There were no intrastate safety related conditions filed in 2015 in Arkansas. APSC has procedures to inspect/investigate safety related conditions.

- 22** Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

APSC has Main Replacement Program (MRPS) with operators which requires the operator to submit annual reports of replacement of defective or recalled pipe, including bare and cast iron.

- 23** 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:

Yes, Bobby Henry has responded to surveys requested by NAPSRS or PHMSA.

- 24** If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate. 1 1
No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

Have not issued any Waivers in recent years. Only waiver was in 2011 but eliminated waiver. Waiver was to test plastic pipe and the effects of UV rays.

- 25** Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated? 1 1
No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

Yes, Bobby Henry attended the NAPSRS National Board Meeting in Phoenix, AZ in 2015.

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

Review performance metrics yearly and look for negative trends. Currently all trends are positive. APSC also collects their own data and compare it to PRIMIS. All data trends are displayed on their website for operators to review and find ways to improve any negative trends.

27 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

The Arkansas Public Service Commission is primarily complying with Part C of the Evaluation.

Total points scored for this section: 50
Total possible points for this section: 50



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:

- a. Section III of Procedures explains process for steps to take when probable violations are identified. Procedure states that letter will be sent to company official.
- b. Section III and IV are procedures for checking process of compliance actions. Inspector can also see all open cases in their Pipeline Safety Database. Procedure also states that follow up inspections are conducted to assure no breakdown in completing compliance actions.

No issues identified with the compliance procedures.

- | | | | |
|----------|--|---|---|
| 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 member 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:

- a. reviewed inspection reports and all reports compliance letters sent to company officers or municipal managers.
- b. reviewed inspection reports and found that all of the probable violations are being documented in the report and in the compliance action letters.
- c. Reviewed several inspection reports that had probable violations which were all resolved and documented with operator response.
- d. Did not find any issues with the progress of resolving probable violations. Inspection reports were all documented with operator responses and closure letters.
- e. The APSC did not issue any civil penalties in 2015 but have in the past.

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

Evaluator Notes:

Yes, reviewed several inspection reports and did not see any issues with not issuing compliance actions for probable violations. Any probable violations documented in the inspection reports had a corresponding compliance action.

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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:

Yes, the APSC gives the operator 60 days to respond to any probable violation findings. The operator can rebut the probable violations, request extension or comply with findings. In addition the Arkansas Gas Pipeline Code 190.21 gives operators the opportunity to request a hearing.

- | | | | |
|----------|---|---|---|
| 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 Needs Improvement = 1

Evaluator Notes:

Yes, Bobby Henry is very familiar with the states process for imposing civil penalties. Arkansas Gas Pipeline Code 190.29 has authority for the issuance of civil penalties.

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:

There were no civil penalties issued in 2015 but there has been civil penalties issued in the past. A civil penalty was proposed in 2015 but the final order issuing the civil penalty did not go through until 2016. Arkansas has demonstrated that they utilize civil penalties as part of their authority.

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

Evaluator Notes:

The Arkansas Public Service Commission 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 - Incident Investigations

Points(MAX) Score

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

Evaluator Notes:

Yes, Section IX is their procedures for conducting incident investigations. The procedure explains the process for conducting the investigation.

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

APSC has mechanism in 191.5 of code to receive and respond to incident notifications. Operators are required to contact PSO personnel during non business hours per the regulations.

- a. the APSC is aware of the MOU between NTSB and PHMSA.
b. Procedures acknowledges and states that the APSC will follow the federal/state cooperation in case of an incident.

- 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:

APSC conducts on site investigation on all reportable incidents. Any incident that don't meet the requirements for reportable incidents are reviewed to determine whether to conduct an on site investigation.

- 4 Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? 3 3
Yes = 3 No = 0 Needs Improvement = 1-2

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

Evaluator Notes:

There were reportable incidents made in 2015 in Arkansas. They did receive a courtesy notification for one incident which was investigated. The line was shutdown due to flooding.

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

Evaluator Notes:

There were no violations found due to incident investigations in 2015.

- 6 Did the state assist region office by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The APSC will assist region if there is assistance requested. The region did not request any assistance in 2015.

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

Evaluator Notes:

Yes, share lessons learned during NAPSAR meeting presentation and state seminars.

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

Evaluator Notes:

The Arkansas Public Service Commission is generally complying with Part E of the Evaluation.

Total points scored for this section: 11
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? NTSB
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, the APSC utilizes the PHMSA Form which covers drilling and boring procedures. Reviewed inspection reports to verify procedure was being reviewed.

- | | | | |
|---|---|---|---|
| 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 AR PSC reviews operators damage prevention procedures during inspections which include the one call notifications and assure the response to excavation notices.

- | | | | |
|---|--|---|---|
| 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, the APSC attend local damage prevention meetings. Promote the 811 campaign and promote dig safely month.

- | | | | |
|---|--|---|---|
| 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, they collect the data and have it displayed in their website. The trend is going down at a steady rate but not as fast as they would like to see it. They discuss the trends with operators to assure they aware of data and to find ways to reduce number of hits.

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

Evaluator Notes:

The Arkansas Public Service Commission is generally complying with Part F of the Evaluation.

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

PART G - Field Inspections

Points(MAX) Score

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

Name of Operator Inspected:

Centerpoint Energy

Name of State Inspector(s) Observed:

Keith Price

Location of Inspection:

North Little Rock, Arkansas

Date of Inspection:

July 6-8, 2016

Name of PHMSA Representative:

Agustin Lopez, State Evaluator

Evaluator Notes:

Observed Mr. Keith Price perform a NG field inspection of Centerpoint's N. Little Rock distribution system. He was performing an inspection on their cathodic protection system. Mr. Price had the operator take pipe-to-soil readings to assure cathodic protection levels met the regulations. He also observed the meter sets and condition of the pipe. He checked for markers and any hazardous conditions. He had the operator dig up some partially buried meters and noted some atmospheric corrosion on some meter sets. Mr. Price conducted himself professionally and was very knowledgeable of the pipeline safety rules and regulations.

- 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 given advance notice of the inspection to give them the opportunity to have any representative present during the inspection.

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

Evaluator Notes:

Yes, Mr. Price utilized the inspection form as a guide and to document any issues identified during the inspection.

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

Evaluator Notes:

Yes, Mr. Price documented all pipe-to-soil readings and any issues identified during the inspection.

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

Evaluator Notes:

Yes, the inspector made the operator take pipe-to-soil readings with their equipment. He assured their equipment was calibrated and worked properly.

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

Evaluator Notes:

The inspector reviewed procedures and records a week before the field portion of the inspection. I reviewed the paperwork and was very documented. During the field the inspector checked cathodic protection levels, atmospheric corrosion conditions and for any hazardous condition.

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. Price displayed adequate knowledge of the pipeline safety program and regulations. He interacted with the operator and discussed all issues that he identified during the field inspection.

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. Price conducted an exit interview with the operator and discussed any issues identified during 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
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Evaluator Notes:

Yes, there were atmospheric corrosion conditions identified by the inspector that needed attention. In addition, he identified a meter that was being pushed by a growing tree which seemed that a hazard could develop.

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
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- | | | |
|----|-------------------------------|-------------------------------------|
| a. | Abandonment | <input type="checkbox"/> |
| b. | Abnormal Operations | <input checked="" 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 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 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:

Mr. Price checked for any abnormal conditions during his field inspection. He checked cathodic protection levels and for atmospheric corrosion on pipelines and meter sets. He inspected the ROW condition and checked for markers and signs.

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:

Arkansas PSC is 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:

Arkansas PSC is not an Interstate Agent.

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

Evaluator Notes:

Arkansas PSC is not an Interstate Agent.

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

Evaluator Notes:

Arkansas PSC is not an Interstate Agent.

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

Evaluator Notes:

Arkansas PSC is 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:

Arkansas PSC is 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:

Arkansas PSC is not an Interstate Agent.

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

Evaluator Notes:

Arkansas PSC is not an Interstate Agent.

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

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

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

Evaluator Notes:

Arkansas PSC does not have a 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:

Arkansas PSC does not have a 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:

Arkansas PSC does not have a 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:

Arkansas PSC does not have a 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:

Arkansas PSC does not have a 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:

Arkansas PSC does not have a 60106 Agreement.

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

Evaluator Notes:

Arkansas PSC does not have a 60106 Agreement.

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