



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

1200 New Jersey Avenue SE
Washington DC 20590

2014 Gas State Program Evaluation

for

MISSISSIPPI 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)



2014 Gas State Program Evaluation -- CY 2014

Gas

State Agency: Mississippi

Agency Status:

Date of Visit: 08/17/2015 - 08/21/2015

Agency Representative: Rickey Cotton, Director - Pipeline Safety

Ilicia Boaler, Secretary Administrative

PHMSA Representative: Glynn Blanton, USDOT/PHMSA State Programs

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

Name/Title: Lynn Posey, Chairman

Agency: Mississippi Public Service Commission

Address: 501 N. West Street, Suite 201A

City/State/Zip: Jackson, Mississippi 32901

Rating:

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

INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2014 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

The field inspection form used will allow different areas of emphasis to be considered for each question. Question 13 is provided for scoring field observation areas. In completing PART G, the PHMSA representative should include a written summary which thoroughly documents the inspection.

Scoring Summary

PARTS

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)

Possible Points Points Scored

10	9
13	12
46	39
15	13
11	9.5
8	8
12	12
0	0
0	0
115	102.5

TOTALS

State Rating **89.1**

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:

A review of Attachment 1 found errors on the Transmission Interstate and Intrastate & LNG jurisdiction status codes. The letter code A, B & F were incorrectly used. The correct code for Transmission Interstate & LNG Interstate should be "F". Additionally, the LNG Intrastate code should be "A" not "F".

Attachment 1 will need to be corrected by contacting Carrie Winslow and having these changes made. In the future please review the attachment codes before entering the information in the appropriate box.

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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:

A review of Attachment 2 and records found total inspection days match information provided.

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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 Attachment 3 found the information was correct. No areas of concern.

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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 | 0 |
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Evaluator Notes:

No. A review of Pipeline Data Mart found two incidents that were reported by Atmos Energy Company in CY2014. A review of Attachment 4 found only one incident was reported and investigated by MPSC. The omission of this incident report resulted in a loss of one point.

This error will need to be corrected and a supplemental submission of attachment 4 will need to be filed. Please contact Carrie Winslow to have this attachment updated.

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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:

A review of Attachment 5 confirm violation numbers were correct for each of the categories. However, the number to be corrected at end of CY 2014 continues to show an increase from previous years. Recommend a review of all 217 violations be conducted and establish a priority to check and clear these violations before end of the year. Sixty-seven compliance actions were taken in CY2014 by MPSC but no civil penalties were assessed on an operator.

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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:

Yes, a review of files and database found all information on inspections and violations were accessible. No issues of concern.

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|----------|---|---|---|
| 7 | Was employee listing and completed training accurate and complete? - Progress Report Attachment 7 | 1 | 1 |
|----------|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, a review of Saba Transcripts and attachment 7 confirm the employees listed and training was entered correctly.

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| 8 | Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 | 1 | 1 |
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Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of rules and regulations information located in SharePoint confirmed Attachment 8 is correct.

The State of Mississippi civil penalty levels for pipeline safety violations does not meet the minimum federal level of \$100,000 per day up to \$1,000,000. Also, the State of Mississippi does not have a penalty level for its damage prevention law. Therefore, a loss of points occurred in the 2015 MPSC Progress Report review. This item was again discussed with Program Manager and Executive Director during the program evaluation exit interview.

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| 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:

A review of Attachment 10 confirm the planned performance goals and accomplishments have been completed. Good information was provided on the 9 elements of an effective damage prevention program. We continue to encourage the implementation of a civil penalty for the state's damage prevention law.

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|-----------|-------------------|-----------|-----------|
| 10 | General Comments: | Info Only | Info Only |
|-----------|-------------------|-----------|-----------|

Info Only = No Points

Evaluator Notes:

A.4 A review of Pipeline Data Mart found two incidents that were reported by Atmos Energy Company in CY2014. A review of Attachment 4 found only one incident was reported and investigated by MPSC. The omission of this incident report resulted in a loss of one point.

Total points scored for this section: 9
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:

A review of Mississippi Public Service Commission, Pipeline Safety Division Operation and Enforcement Procedures found this item listed and located on page 13, under "Inspections Schedule and Procedures". All inspections will be performed at least every five years using Federal Form 2. Items pertaining to pre-inspection and post-Inspection activities were not provided in the document. Recommend action be taken to add these items to the existing 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:

A review of Mississippi Public Service Commission, Pipeline Safety Division Operation and Enforcement Procedures found IMP was listed and located on page 13. IMP inspections are conducted every 5 years. It is recommended IMP & DIMP pre & post inspection activities be added to the procedures for CY2015 due to the requirement established by PHMSA.

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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:

A review of Mississippi Public Service Commission, Pipeline Safety Division Operation and Enforcement Procedures found this item listed and located on page 13. OQ inspections are conducted every 5 years. It is recommended pre & post inspection activities been added to the procedures.

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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 | 0 |
|---|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of Mississippi Public Service Commission, Pipeline Safety Division Operation and Enforcement Procedures found this item is not listed. It is recommended Damage Prevention inspections be added along with pre & post inspection activities to the procedures. A loss of one point occurred.

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|---|--|---|---|
| 5 | Any operator training conducted should be outlined and appropriately documented as needed. | 1 | 1 |
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Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of Mississippi Public Service Commission, Pipeline Safety Division Operation and Enforcement Procedures found this item listed and located on page 16, Training.

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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:

A review of Mississippi Public Service Commission, Pipeline Safety Division Operation and Enforcement Procedures found

this item listed and located on page 14. Construction inspections are conducted after receiving written notification prior to construction. It is recommended the pre & post inspection activities been added to the construction procedures for CY2015.

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|----|---|--------------------------------------|--|
| 7 | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements?
Yes = 6 No = 0 Needs Improvement = 1-5 | 6 | 6 |
| a. | Length of time since last inspection (Within five year interval) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Type of activity being undertaken by operators (i.e. construction) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| d. | Locations of operators inspection units being inspected - (HCA's, Geographic 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:

A review of Mississippi Public Service Commission, Pipeline Safety Division Operation and Enforcement Procedures found items a through e listed and located on page 15. All inspection units were reviewed and found to be broken down correctly. No areas of concerns were found.

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

B.4 A review of Mississippi Public Service Commission, Pipeline Safety Division Operation and Enforcement Procedures found this item not listed. It is recommended Damage Prevention inspections be added along with the pre & post inspection activities to the procedures. A loss of one point occurred.

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):
583.50

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 $220 \times 5.67 = 1246.67$

Ratio: A / B
 $583.50 / 1246.67 = 0.47$

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

Evaluator Notes:

A.Total Inspection Person Days (Attachment 2)= 583.5

B.Total Inspection Person Days Charged to the program($220 \times$ Number of Inspection person years(Attachment 7)=1246.66652

Formula:- Ratio = A/B = $583.5/1246.66652 = 0.47$

Rule:- (If Ratio $\geq .38$ then points = 5 else Points = 0.)

Thus Points = 5

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 5 0
Yes = 5 No = 0 Needs Improvement = 1-4

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|---|--------------------------------------|-------------------------------------|--|
| 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 type="radio"/> | No <input type="radio"/> | Needs Improvement <input checked="" type="radio"/> |
| d. Note any outside training completed | Yes <input type="radio"/> | No <input type="radio"/> | Needs Improvement <input checked="" type="radio"/> |
| e. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. | Yes <input type="radio"/> | No <input checked="" type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

Lewis Davis has not completed all required courses at TQ training center within five years to meet the Gas Inspector Training Qualifications. This finding was noted in CY2012 & CY2013 Program Evaluations and no action was taken to correct it. In CY2014, one inspector, Wiley Walker, was the only inspector that had completed Root Cause training. Mr. Walker retired in CY2014 and no one else has completed the course. The MPSC will need to have one inspector on staff who has completed the Root Cause course by year ending CY2015. Neill Wood is the only qualified lead inspector for OQ & DIMP. He has recently completed the PL31C course on August 19, 2015.

- 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, Rickey Cotton has many years of experience in pipeline safety and worked in the natural gas industry for 11 years. He is knowledge about PHMSA program requirements and regulations. No issues of concern.

- 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:

Yes, Chairman Posey response letter was received on December 22, 2014 within the required 60 day time period.

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

Evaluator Notes:

Yes, MPSC held TQ Seminar in Meridian, MS on October 15 & 16, 2014. Approximately 137 individuals attend the seminar.

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

Yes, a review of MSPC database and written procedures confirm all inspections were scheduled in accordance to established time intervals listed, within five years.

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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 | 1 |
|----------|--|---|---|
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Evaluator Notes:

Yes, they use the federal forms to perform their inspections. A random selection of inspection reports reviewed found incomplete information. Reports summarized only items reviewed and did have the federal inspection form attached to the document. Reference Fulton Gas Department Standard Inspection No. 3604 and Como Municipal Gas Inspection No. 3751. Improvement is needed in using the federal standard inspection form and providing information on items reviewed, location of inspection site, individuals contacted and what items were checked or inspected. A loss of one point occurred.

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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 |
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Evaluator Notes:

Yes, this item is checked when they perform a standard inspection using the federal form.

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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, this item is covered during the standard inspection using the federal form.

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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, this is covered during the standard inspection using the federal form.

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

Yes, this item is reviewed and discussed with the operator using the federal inspection form.

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| 12 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues?
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
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Evaluator Notes:

Yes, the Program Manager reviews all annual reports and post the information on an Excel spreadsheet. The information is shared with the inspectors and used in their rank risk inspection program. Inspectors during the office or field inspection will review the annual report with the operator for trends and leakage.

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| 13 | Did state input all applicable OQ, IMP inspection results into federal database in a timely manner? This includes replies to Operator notifications into IMDB database. Chapter 5.1 | 2 | 1 |
| Yes = 2 No = 0 Needs Improvement = 1 | | | |

Evaluator Notes:

A review of PHMSA OQ database on August 19, 2015 found operator qualification inspections that were conducted in CY2012, CY2013 & CY2014 have not been uploaded. One point is deducted. One Transmission IMP inspection conducted in CY2015 was posted but prior inspections conducted in CY2011 to CY2014 have not been posted. Improvement is needed and a loss of one point occurred.

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| 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:

Yes, this is covered during the standard inspection review with the operator using the federal inspection form.

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| 15 | Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199 | 2 | 2 |
| Yes = 2 No = 0 Needs Improvement = 1 | | | |

Evaluator Notes:

In CY2014, two drug and alcohol inspections were conducted. A review of inspection reports confirm the drug and alcohol tests were performed by the operator and verification of the positive test in accordance with 49 CFR 199.

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

Evaluator Notes:

Yes, fifteen OQ inspections were conducted in CY2014. A review of inspection reports confirm MPSC is verifying the operators OQ programs are up to date.

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

Evaluator Notes:

Yes. One integrity management inspection was conducted in CY2014. A review of inspection report indicated the operator's IMP was checked and found to be up to date.

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

Evaluator Notes:

In CY2014, thirty one DIMP inspections were performed. A review of inspection reports confirm MPSC reviewed the operator's plans along with the updates.

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| 19 | Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 192.616 (I13-16) PAPEI Effectiveness Inspections should have been completed by December 2013
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, in CY2014 MPSC performed the PAPEI inspections during the standard inspection reviews. A review of files confirm all PAPEI inspections were completed in the last quarter of CY2014.

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

Evaluator Notes:

Yes, MPSC website address this item.

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

Evaluator Notes:

No safety related condition reports in CY2014.

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

Evaluator Notes:

Yes, MPSC encourages the operator to submit information about defects/leaks on any plastic pipe or its components during standard inspections and meetings.

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| 23 | Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Yes, MPSC responded to all request from NAPSRS and other organization.

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| 24 | If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate.(New Question for CY2013, no points until CY2015 evaluation conducted in CY2016)
Info Only = No Points | 0 | 0 |
|-----------|--|---|---|

Evaluator Notes:

A review of website found MPSC has two active waivers on file. Advised Program Manager to check the status of each waiver with the operator and provide information to John Gale, PHMSA, if a waiver is active or inactive. No issues at this time.

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|-----------|---|---|---|
| 25 | Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated? (New Question for CY2014, no points first year)
Info Only = No Points | 0 | 0 |
|-----------|---|---|---|

Evaluator Notes:

No one from the MPSC attended the meeting. Advise Program Manager that points will be assigned to this question in CY2015 state program evaluation review.

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|-----------|--|---|---|
| 26 | Discussion on State Program Performance Metrics found on Stakeholder Communication site. (question will be rolled up and included as part of Question C12 on future evaluations) http://primis.phmsa.dot.gov/comm/states.htm | 0 | 0 |
|-----------|--|---|---|

Info Only = No Points

Evaluator Notes:

A discussion with Rickey Cotton about MSPC performance metric on PHMSA website was reviewed.

27 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

Loss of points occurred in the following areas:

C.2) Lewis Davis has not completed all required courses at TQ training center within five years to meet the Gas Inspector Training Qualifications. This finding was noted in the CY2012 & CY2013 Program Evaluations and no action was taken to correct it. A loss of five point occurred for this section of the review.

C.7) A random selection of inspection reports reviewed found incomplete information. Reports summarized only items reviewed and did have the federal inspection form attached to the document. Reference Fulton Gas Department Standard Inspection No. 3604 and Como Municipal Gas Inspection No. 3751. Improvement is needed in using the federal standard inspection form and providing information on items reviewed, location of inspection site, individuals contacted and what items were checked or inspected. A loss of one point occurred.

C.13) A review of PHMSA OQ database on August 19, 2015 found operator qualification inspections that were conducted in CY2012, CY2013 & CY2014 have not been uploaded. One point is deducted. One Transmission IMP inspection conducted in CY2015 was posted but prior inspections conducted in CY2011 to CY2014 have not been posted. Improvement is needed and a loss of one point occurred.

Total points scored for this section: 39
Total possible points for this section: 46



PART D - Compliance Activities

Points(MAX) Score

- | | | | |
|----------|--|---------------------------|---|
| 1 | Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 3 |
| a. | Procedures to notify an operator (company officer) when a noncompliance is identified | Yes <input type="radio"/> | No <input type="radio"/> Needs Improvement <input checked="" type="radio"/> |
| b. | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns | Yes <input type="radio"/> | No <input checked="" type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

- a. A review of Mississippi Public Service Commission, Pipeline Safety Division, Operation and Enforcement Procedures found written information on notification to the company officer when a noncompliance item is identified was not included in the procedures. Letters are being mailed to company officers but no written procedures were included in the document. Improvement is needed and a loss of one point occurred.
- b. Written procedures in reviewing compliance actions was included in the section entitled, Enforcement 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. | Were probable violations documented? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Were probable violations resolved? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| d. | Was the progress of probable violations routinely reviewed? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

- a. A review of MPSC compliance file found areas of concern letters were sent to the company officer.
- b. Yes, probable violations were documented in the data base and individual file folder.
- c. Yes, a review of Center Point Energy letter confirm probable violations or areas of concern were resolved.
- d. Yes, Administrative Assistant routinely reviews violations and when a response is due from the operator.

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

Evaluator Notes:

Yes, a review of files indicated areas of concerns were issued to several operators in CY2014. No areas of concern.

- | | | | |
|----------|---|---|---|
| 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, this is described in MPSC Pipeline Safety Procedures section entitled, "VIII , Enforcement Procedures".

- | | | | |
|----------|---|---|---|
| 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 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

Yes, Program Manager is familiar with imposing civil penalties but MPSC prefers to use areas of concern letters to obtain compliance from the operator. The use of civil penalties is normally not used. Civil penalties for repetitive violations may be considered in the future.

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

Evaluator Notes:

No. MPSC was unable to demonstrate they have used their enforcement fining authority for pipeline safety violations in the last five years. This item was mentioned in the CY2013 State Program Evaluation letter to the Chairman. Additionally, this item was discussed with the Program Manager. A loss of one point occurred.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

Loss of points occurred in the following areas:

D.1(a) A review of Mississippi Public Service Commission, Pipeline Safety Division, Operation and Enforcement Procedures found written information on notification to the company officer when a noncompliance item is identified was not included in the procedures. Letters are being mailed to company officers but no written procedures were included in the document. Improvement is needed and a loss of one point occurred.

D.6 MPSC was unable to demonstrate they have used their enforcement fining authority for pipeline safety violations in the last five years. This item was mentioned in the CY2013 State Program Evaluation letter to the Chairman. Additionally, this item was discussed with the Program Manager. A loss of one point occurred.

Total points scored for this section: 13
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 MPSC Pipeline Safety Division, Operation and Enforcement Procedures, Section IV, "Reporting", address this item.

- 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 1

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:

a & b. Yes, Program Manager is familiar with the MOU's but has not included these items into the MPSC Pipeline Safety Division Procedures. It is recommended these two documents be included in the pipeline safety procedures manual.

A review of MPSC procedures found no process was described for inspectors to follow or operator to call the inspector when an incident occurred in after hours. Improvement is needed and a loss of one point occurred.

- 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:

A review of 2014 MPSC Progress Report, Attachment 4-Incidents/Accidents indicated one accident occurred on 12/29/14. The incident was investigated and a draft report has been completed. The results of the investigation has been shared with the operator and action is being taken to correct areas of concern.

A review of Pipeline Data Mart indicated a second incident occurred on 11/12/14 in Kosciusko, MS. This incident was not recorded into office records when a call was made nor investigated by MPSC. Therefore, a half point deduction occurred.

- 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:

MPSC conducted an investigation of one of the two incidents that occurred in CY2014. The draft report does contain information on contributing factor and other relative information.

Improvement is needed in closely monitoring all incidents that occur in the State of Mississippi.

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

Yes = 1 No = 0

Evaluator Notes:

Yes, compliance action was taken by an agreement with the operator to correct the operator's policies and procedure on checking on all potential leaks.

- 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:

Yes, MPSC provided information to the Southern Region Office on the one incident that occurred in December, 2014.

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

Evaluator Notes:

Yes, information on the Mississippi program and lessons learned are shared at the NAPS Region Meeting.

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

Evaluator Notes:

Loss of points occurred in the following section.

E.2) A review of MPSC procedures found no process was described for inspectors to follow or operator to call the inspector when an incident occurred in after hours. Improvement is needed and a loss of one point occurred.

E.3) A review of Pipeline Data Mart indicated a second incident occurred on 11/12/14 in Kosciusko, MS. This incident was not recorded into the 2014 progress report nor investigated by MPSC. Therefore, a half point deduction occurred. It will be necessary for MPSC to contact Carrie Winslow, PHMSA State Program, to upload this second incident report information into Attachment 4.

Total points scored for this section: 9.5
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? NTSB
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

During standard or other inspections the inspector will review the directional drilling procedures of the operator or it contractor to insure action to protect their facilities are being followed.

- | | | | |
|---|---|---|---|
| 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, this is accomplished during the standard or construction inspection.

- | | | | |
|---|--|---|---|
| 3 | Did the state encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (i.e. such as promoting/adopting the CGA Best Practices encouraging adoption of the 9 Elements, etc.)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

MPSC continues to promote CGA Best Practices with operators at meetings, inspection visits and TQ seminars. Efforts to improve the enforcement of damage prevention is a continue project for the agency.

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

MPSC collects and reviews trends in the number of pipeline damages per 1,000 locate requests in the annual reports filed by the operator. This information is used in their risk ranking model in determining the inspection priority visits. Also, they encourage the operators to upload all damages that occur on to their facilities into the DIRT program.

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

Evaluator Notes:

No loss of points occurred in this section of the review.

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:

City of Canton

Name of State Inspector(s) Observed:

Neill Wood, Pipeline Safety Inspector & Rickey Cotton, Director Pipeline Safety

Location of Inspection:

Canton, MS

Date of Inspection:

August 20, 2015

Name of PHMSA Representative:

Glynn Blanton, PHMSA State Liaison Southern Region

Evaluator Notes:

This was a standard inspection with a field check of a construction project located at 51 North Liberty Street in Canton, MS.

Listed below are the name of the individuals present during the standard inspection.

Kyle Canoy CMV Gas Operator

Brian Finegan, CMV General Manager

Wesley Wilkins, CMV Utilities Engineer

- 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:

Operator was notified about the standard inspection on August 3, 2015.

- 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:

Inspector used the federal standard inspection form to perform the inspection.

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

Evaluator Notes:

Yes. It was observed the inspector was recording down the answers to the questions on the federal form with either an S,U or NA. No issues of concern.

- 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 operator provided a copy of the operations and maintenance plan. Additionally, maintenance records and maps were provided as requested by the inspector.

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

- b. Records ☒
- c. Field Activities ☒
- d. Other (please comment) ☐

Evaluator Notes:

Yes.

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

Evaluator Notes:

Yes. Mr. Wood has completed all the pipeline safety courses at TQ and many years of experience in pipeline safety inspection work.

8	Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation)	1	1
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Yes = 1 No = 0

Evaluator Notes:

Yes. Mr. Wood conducted an exit interview and no violations were found or noted.

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

Evaluator Notes:

No violations were found or noted.

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

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

- | | | |
|----|-----------------------------------|-------------------------------------|
| x. | Public Education | <input type="checkbox"/> |
| y. | Purging | <input type="checkbox"/> |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/> |
| A. | Repairs | <input checked="" type="checkbox"/> |
| B. | Signs | <input type="checkbox"/> |
| C. | Tapping | <input checked="" type="checkbox"/> |
| D. | Valve Maintenance | <input 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 type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

This was a cast iron replacement project located at 51 North Liberty Street. The following material was being installed to replace the existing cast iron pipe. 2 & 4" PE2406. The work was being performed by Miller Construction Company. All OQ records were reviewed and found to be in compliance with the MFSS.

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:
NA

- | | | | |
|----------|---|---|----|
| 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:
NA

- | | | | |
|----------|--|---|----|
| 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:
NA

- | | | | |
|----------|---|---|----|
| 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:
NA

- | | | | |
|----------|---|---|----|
| 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:
NA

- | | | | |
|----------|--|---|----|
| 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:
NA

- | | | | |
|----------|---|---|----|
| 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:
NA

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

Evaluator Notes:

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:

NA

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

NA

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

NA

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

NA

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

NA

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

NA

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

Evaluator Notes:

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