



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

1200 New Jersey Avenue SE
Washington DC 20590

2010 Natural Gas State Program Evaluation

for

ARKANSAS PUBLIC SERVICE COMMISSION

Document Legend

PART:

- O -- Representative Date and Title Information
- A -- General Program Qualifications
- B -- Inspections and Compliance - Procedures/Records/Performance
- C -- Interstate Agent States
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2010 Natural Gas State Program Evaluation -- CY 2010
Natural Gas

State Agency: Arkansas

Agency Status:

Date of Visit: 07/11/2011 - 07/15/2011

Agency Representative: Robert Henry, Chief of Pipeline Safety

PHMSA Representative: Patrick Gaume

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

Name/Title: Colette Honorable, Chairman

Agency: Arkansas Public Service Commission

Address: 1000 Center St

City/State/Zip: Little Rock, Arkansas 72203-0400

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 2010 (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 certification/agreement attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART F):

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 F, the PHMSA representative should include a written summary which thoroughly documents the inspection.

Scoring Summary

PARTS

Possible Points Points Scored

A	General Program Qualifications	26	25
B	Inspections and Compliance - Procedures/Records/Performance	24.5	22.5
C	Interstate Agent States	0	0
D	Incident Investigations	6.5	6.5
E	Damage Prevention Initiatives	9	9
F	Field Inspection	10	10
G	PHMSA Initiatives - Strategic Plan	9	9
H	Miscellaneous	3	3
I	Program Initiatives	9	7.5

TOTALS

97 92.5

State Rating

95.4

PART A - General Program Qualifications

Points(MAX) Score

- | | | | |
|----------|--|-------------------------------------|---|
| 1 | Did the state submit complete and accurate information on the attachments to its most current 60105(a) Certification/60106 (a) Agreement? (NOTE: PHMSA Representative to verify certification/agreement attachments by reviewing appropriate state documentation. Score a deficiency in any one area as "needs improvement". Attachment numbers appear in parenthesis) Previous Question A.1, Items a-h worth 1 point each
Yes = 8 No = 0 Needs Minor Improvement = 3-7 Needs Major Improvement = 2 | 8 | 7 |
| <hr/> | | | |
| a. | State Jurisdiction and agent status over gas facilities (1) | <input type="checkbox"/> | |
| b. | Total state inspection activity (2) | <input checked="" type="checkbox"/> | |
| c. | Gas facilities subject to state safety jurisdiction (3) | <input checked="" type="checkbox"/> | |
| d. | Gas pipeline incidents (4) | <input checked="" type="checkbox"/> | |
| e. | State compliance actions (5) | <input checked="" type="checkbox"/> | |
| f. | State record maintenance and reporting (6) | <input checked="" type="checkbox"/> | |
| g. | State employees directly involved in the gas pipeline safety program (7) | <input checked="" type="checkbox"/> | |
| h. | State compliance with Federal requirements (8) | <input checked="" type="checkbox"/> | |

SLR Notes:

A.1 IMPROVEMENT NEEDED 7 points. A----Attachment 1 number of operators at 187 does not correlate with Attachment 3 which shows 180 with 3 operators being multiple for an apparent 185 count. The apparent cause of the error is between the 13 intrastate transmission operators reported on Attachment 1 but only 11 are identified in Attachment 3. B?okay. C----the Operator IDs are missing on Attachment 3, Warning only as OPID is not specified as required in Guidelines 2.5.3. D, E, F, G, & H----okay.

- | | | | |
|----------|---|---|---|
| 2 | Did the state have an adequate mechanism to receive operator reporting of incidents to ensure state compliance with 60105(a) Certification/60106(a) Agreement requirements (fatality, injury requiring hospitalization, property damage exceeding \$50,000 - Mechanism should include receiving "after hours" reports)? (Chapter 6) Previous Question A.2
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

A.2 Yes, APSC requires the Operators to report to both the State and the Fed for federally reportable incidents. In addition the APSC has a \$5000 reporting requirement, & requires a report for any injury that requires a Doctor's visit.

- | | | | |
|----------|---|---|---|
| 3 | Has the state held a pipeline safety TQ seminar(s) in the last 3 years? (NOTE: Indicate date of last seminar or if state requested seminar, but T&Q could not provide, indicate date of state request for seminar. Seminars must be held at least once every 3 calendar years.) (Chapter 8.5) Previous Question A.4
Yes = 2 No = 0 | 2 | 2 |
|----------|---|---|---|

SLR Notes:

A.3 Yes, APSC hosted a TSI Seminar on June 20-21, 2007 and on 8/10-11/2010. The next one will be co-hosted with NM, MS, TX, AOGC, & LA on 7/25-29/11 in New Orleans.

- | | | | |
|----------|--|---|---|
| 4 | Were pipeline safety program files well-organized and accessible?(NOTE: This also includes electronic files) (Chapter 5) Previous Question A.5
Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

SLR Notes:

A.4 Yes, the files are in file cabinets in three PSC offices.

- | | | | |
|----------|---|---|---|
| 5 | Did state records and discussions with the state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? (Chapter 4.1, Chapter 8.1) Previous Question A.6
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

SLR Notes:

A.5 Yes, Bobby has 28 years professional knowledge of the 49 CFR 190-194, & 199 regulations.

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|----------|---|---|---|
| 6 | Did the state respond in writing within 60 days to the requested items in the Chairman's letter following the Region's last program evaluation? (No response is necessary if no items are requested in letter and mark "Yes") (Chapter 8.1) Previous Question A.8
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

A.6 Yes, The Chairman letter was sent on 2/22/2011, within 42 days of receipt. It addressed Accelerating the cast iron replacement program from a 2027 end to 2022; they have increased transparency by posting incidents, inspections, and enforcements to their public web site; and they have made a procedural change to ensure that significant incidents will not be missed in the annual Certification Report again.

- 7 What actions, if necessary, did the State initiate as a result of issues raised in the Chairperson's letter from the previous year? Did actions correct or address deficiencies from previous year's evaluation? (No response is necessary if no items are requested in letter and mark "Yes") (Chapter 8.1) Previous Question A.8/A.9 1 1
Yes = 1 No = 0

SLR Notes:

A.7 Yes, The Chairman letter was sent on 2/22/2011, within 42 days of receipt. It addressed Accelerating the cast iron replacement program from a 2027 end to 2022; they have increased transparency by posting incidents, inspections, and enforcements to their public web site; and they have made a procedural change to ensure that significant incidents will not be missed in the annual Certification Report again.

Personnel and Qualifications

- 8 Has each inspector fulfilled the 3 year TQ training requirement? If No, has the state been granted a waiver regarding TQ courses by the Associate Administrator for Pipeline Safety? (NOTE: If the State has new inspectors who have not attended all TQ courses, but are in a program which will achieve the completion of all applicable courses within 3 years of taking first course (5 years to successfully complete), or if a waiver has been granted by the applicable Region Director for the state, please answer yes.) (Chapter 4.4) Previous Question A.10 3 3
Yes = 3 No = 0

SLR Notes:

A.8 Yes, the inspectors are trained or their training is underway and is on track to meet the 'within three years' time requirement.

- 9 Brief Description of Non-TQ training Activities: Info Only Info Only
Info Only = No Points
For State Personnel:
A.9 State personnel- annual H2S awareness training 8 hours. One inspector maintains the 8 hour hazwoper re-certification. All staff had an 8-hr first aid course, some are CPR certified. 7 personnel attended the 2010 Pipeline Safety Seminar.
For Operators:
Operators- individual on-site training of Operators, usually associated with an inspection.
For Non-Operator Entities/Parties, Information Dissemination, Public Meetings:
Non-Operator- there were no activities in 2010. APSC is the governing body over AR One-Call and AR One-Call hosted 4+ Excavation Damage Prevention Meetings that were open to the public.

SLR Notes:

A.9 State personnel- annual H2S awareness training 8 hours. One inspector maintains the 8 hour hazwoper re-certification. All staff had an 8-hr first aid course, some are CPR certified. 7 personnel attended the 2010 Pipeline Safety Seminar.
Operators- individual on-site training of Operators, usually associated with an inspection.
Non-Operator- there were no activities in 2010. APSC is the governing body over AR One-Call and AR One-Call hosted 4+ Excavation Damage Prevention Meetings that were open to the public.

- 10 Did the lead inspectors complete all required T&Q OQ courses and Computer Based Training (CBT) before conducting OQ Inspections? (Chapter 4.4.1) Previous Question A.12 1 1
Yes = 1 No = 0

SLR Notes:

A.10 Greg Loarie was trained in Apr 2005 & Steve O'Connor was trained in Oct 2003. 4 inspectors have been trained in Course 299 (PL3OQ). All OQ HQ inspections are done by those 2 inspectors.

- 11 Did the lead inspectors complete all required TQ Integrity Management (IMP) Courses/Seminars and CBT before conducting IMP Inspections? (Chapter 4.4.1) Previous Question A.13 1 1
Yes = 1 No = 0

SLR Notes:

A.11 Greg Loarie trained Jun 2005, & Bobby Henry trained Jun 2005 are the IMP Leads. 3 Inspectors have taken T&Q Course 297.

- 12 Was the ratio acceptable of Total inspection Person-days to Total Person-days charged to the program by state inspectors? (Region Director may modify points for just cause) (Chapter 4.3) Previous Question B.12 5 5
Yes = 5 No = 0
A. Total Inspection Person Days (Attachment 2):
609.00
B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 6.67 = 1466.67
Ratio: A / B
609.00 / 1466.67 = 0.42

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

SLR Notes:

A.12- a- '10 total inspection days 609.
b- person days '10 is $6.67 \times 220 = 1467.4$ days.
c-score=A/B '09 score=609/1467.4=.415. .415 is greater than .38. Okay.

-
- 13** Have there been modifications or proposed changes to inspector-staffing levels? (If yes, describe) Previous Info Only Info Only
Question B.13
Info Only = No Points

SLR Notes:

A.13. ? Yes, vacancies have been filled. Staffing remains at 1 Chief, 7 inspectors, 0.5 clerical. Staffing increased from 6 to 7 inspectors in October 2009.

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- 14** Part-A General Comments/Regional Observations Info Only Info Only
Info Only = No Points

SLR Notes:

A.14 The initiative to accelerate cast iron replacement has had success; A major Operator has agreed to accelerate a 27 year replacement plan originally scheduled for 2001-2027 to finish by 2022. Discussions are in progress to consider further acceleration for an end date in 2018. While bare pipe has never shown to be a problem, this same operator plans to replace all bare pipe (695 miles remaining) by 2026.
NAPSR participation included Mr Bobby Henry serving on the NAPSR Excess Flow Valve Committee and the Grant Allocation state Evaluation Form Committee. The Pipeline Safety Office (PSO) intends to nominate additional NAPSR staff members as NAPSR committee positions become available.
The Pipeline Safety Office (PSO), participates in the Arkansas Department of Emergency Management's (ADEM) comprehensive Emergency Operations Plan with emphasis on gas leak response due to natural disaster or manmade events. Natural Disaster threats are mostly tornados or ice storms with consideration for the New Madrid fault and floods.
APSC has been working with Bob McArthur, CEO of AR One Call, to compare the 9 elements with the current AR Damage Prevention Law. To date enforcement has not been effectively addressed. However, the District attorney in Sebastian County acted on information submitted by Mr Bobby Henry and prosecuted a One-Call violator and secured a \$500 fine in May, 2011.

Total points scored for this section: 25
Total possible points for this section: 26



PART B - Inspections and Compliance - Procedures/Records/ Performance

Points(MAX) Score

Inspection Procedures

- 1** Does the State have a written inspection plan to complete the following? (all types of operators including LNG) (Chapter 5.1) Previous Question B.1 + Chapter 5 Changes + Incorporate LNG 6.5 6.5
Yes = 6.5 No = 0 Needs Improvement = 50% Deduction
- | | | | | |
|---|---|--------------------------------------|--------------------------|---|
| a | Standard Inspections (Including LNG) (Max points = 2) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b | IMP Inspections (Including DIMP) (Max points = .5) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c | OQ Inspections (Max points = .5) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d | Damage Prevention (Max points = .5) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e | On-Site Operator Training (Max points = .5) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| f | Construction Inspections (Max points = .5) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| g | Incident/Accident Investigations (Max points = 1) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| h | Compliance Follow-up (Max points = 1) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

SLR Notes:

B.1. a, b, c, d, e, f, g, & h, Yes, have procedures in the Arkansas Pipeline Safety Operation and Inspection Plan. Damage Prevention is part of the Std Inspections. I advised Bobby Henry that PAPEE (Public Awareness Program Effectiveness Evaluation) will need to be added to your program procedures soon. It is apparent that PAPEE will usually be a stand-alone inspection. CRM inspections are not an issue for AR. DIMP is also coming.

- 2** Did the written Procedures for selecting operators adequately address key concerns? (Chapter 5.1) Previous Question B.2, items a-d are worth .5 point each 2 2
Yes = 2 No = 0 Needs Improvement = 50% Deduction
- | | | | | |
|---|--|--------------------------------------|--------------------------|---|
| a | Length of time since last inspection | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b | History of Operator/unit and/or location (including leakage , incident and compliance history) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c | Type of activity being undertaken by operator (construction etc) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d | For large operators, rotation of locations inspected | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

SLR Notes:

B.2 All selecting criteria are named and used, but the dominate criteria is length of time since the last inspection. The other criteria are used more for determining special and follow-up inspections.

Inspection Performance

- 3** Did the state inspect all types of operators and inspection units in accordance with time intervals established in its written procedures? (Chapter 5.1) Previous Question B.3 2 0
Yes = 2 No = 0

SLR Notes:

B.3 NO. Could not determine inspection frequency for OQ & IM inspections of Operators; however, as OQ & IM were performed in 2005, then re-inspections needed to be done by year end 2010 to be within the 5 yr re-inspection interval. This task was not possible given turnover of staff. As there are 29 Operators needing OQ & 3 Operators needing IM, (note; OQ is addressed in Std Master Meter inspections), Credit will be given in the 2011 review if 15 Operators have current OQ inspections AND the 3 GIMP inspections are current. For 2012, all OQ inspections must be current.

- 4** Did the state inspection form cover all applicable code requirements addressed on the Federal Inspection forms? (Chapter 5.1 (3)) Previous Question B.4 1 1
Yes = 1 No = 0

SLR Notes:

B.4- Arkansas uses the federal forms that have been modified in places to meet more stringent Arkansas regulations.

- 5** Did state complete all applicable portions of inspection forms? (Chapter 5.1 (3)) Previous Question B.5 1 1
Yes = 1 No = 0

SLR Notes:

B.5- Yes. A spot check of OQ and Standard inspections showed the reports to be complete, with U, NA, and NC items explained, and the inspection was consistent with the NOPV letter.

6	Did the state initiate appropriate follow-up actions to Safety Related Condition Reports? (Chapter 6.3) Previous Question B.6 Yes = .5 No = 0	.5	NA
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SLR Notes:

B.6- NA no SRCR in 2010.

7	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) Previous Question B.7 Yes = .5 No = 0	.5	.5
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SLR Notes:

B.7- Yes. In early '07 it was discovered that this question was not well addressed on the current Federal inspection form. APSC modified the Federal Form to include this subject. APSC is emphasizing cast iron pipe replacement, & reviews every leak repair form to check that proper procedures were followed every time. Luckily, graphitization is a very minor cause of leaks in cast iron pipes in Arkansas, (brittle fracture is the major cause)

8	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) Previous Question B.8 Yes = .5 No = 0	.5	.5
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SLR Notes:

B.8- Yes. In early '07 it was discovered that this question was not well addressed on the current inspection form. APSC modified the Federal Form to include this subject. AR does inspect to Appendix G-192-18. AR policy includes a financial incentive to replace cast iron pipe & bare steel pipe.

9	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) Previous Question B.9 Yes = .5 No = 0	.5	.5
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SLR Notes:

B.9- Yes. In early '07 it was discovered that this question was not well addressed on the current inspection form. APSC modified the Federal Form to include this subject. AR emphasizes review of operator responses to emergencies or leaks at or near buildings.

10	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? (NTSB) Previous Question B.10 Yes = 1 No = 0	1	1
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SLR Notes:

B.10 ? Yes. AR has more stringent requirements for reporting accidents. All reportable accidents are reviewed to ensure proper response.

Compliance - 60105(a) States

11	Did the state adequately document sufficient information on probable violations? (Chapter 5.2) Previous Question B.14 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

B.11 Yes. all violations are documented and processed through the Commission rules. All information is kept in the same file; the inspection, the evidence, the violation letter, the response, the final finding?

12	Does the state have written procedures to identify the steps to be taken from the discovery to the resolution of a probable violation as specified in the "Guidelines for State Participating in the Pipeline Safety Program"? (Chapter 5.1) Previous Question D(1).1 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

B.12 Yes, & the Commission has its own rules for processing any probable violations noted in it's inspection program. Effective August, 2010, a peer review of NOPV reports was initiated until a new Pipeline Chief was found. Bobby was designated Chief on 11/28/2010.

13	Does the state have written procedures to notify an operator when a noncompliance is identified as specified in the "Guidelines for States Participating in the Pipeline Safety Program"? (Chapter 5.1(4)) Previous Question D (1).2 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

B.13 Yes. The Commission sends notices to the operators that have probable violations, NOA, recommendations, or no violations found (notice of inspection).

14	Does the state have a written procedure for routinely reviewing the progress of compliance actions to prevent delays or breakdowns of the enforcement process, as required by the "Guidelines for States Participating in the Pipeline Safety Program"? (Chapter 5.1(5)) Previous Question D(1).3 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

B.14 Yes. The tracking system is 'the suspense file', Dbase tracking, & also a spreadsheet maintained by the Chief.

15	Has the State issued compliance actions for all probable violations discovered? (Note : PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation) Previous Question D(1).4 Yes = 1 No = 0	1	1
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SLR Notes:

B.15 Yes, 97 in 2010. Violations are found regularly during inspections and notices are sent out.

16	Did the state follow its written procedures for reviewing compliance actions and follow-up to determine that prompt corrective actions were taken by operators, within the time frames established by the procedures and compliance correspondence, as required by the "Guidelines for States Participating in the Pipeline Safety Program"? Previous Question D(1).5 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

B.16 Yes, AR follows its written program. Notices are followed until compliance is achieved.

17	If compliance could not be established by other means, did state pipeline safety program staff request formal action, such as a "Show Cause Hearing" to correct pipeline safety violations? (check each states enforcement procedures) Previous Question D(1).6 No = 0 Yes = 1	1	1
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SLR Notes:

B.17 Yes. It is an available process, but is rarely needed (Show Cause Hearing). Most Operators are cooperative. Even fines are seldom necessary. Had one Show Cause and one \$7500 Fine in 2010.

18	Did the state adequately document the resolution of probable violations? (Chapter 5.1 (6)) Previous Question D(1).7 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

B.18 Yes. Final resolutions are documented and placed in the appropriate file.

19	Were compliance actions sent to a company officer? (manager or board member if municipal/government system) (Chapter 5.1(4)) Previous Question D(1).8 Yes = .5 No = 0	.5	.5
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SLR Notes:

B.19 Yes, APSC sends notices to owners or Corporate officers.

20	Did the compliance proceedings give reasonable due process to all parties? (check each states enforcement procedures) Previous Question D(1).9 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

B.20 Yes. It is a formalized process that is followed and explained to the Operator in the notice letter. Per the Plan, it includes notices, response times, & show cause hearings.

Compliance - 60106(a) States

21	Did the state use the current federal inspection form(s)? Previous Question D(2).1 Yes = 1 No = 0 Needs Improvement = .5	1	NA
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SLR Notes:

B.21 ? B.26 NA. Arkansas is a 60105(a) program.

22	Are results adequately documented demonstrating inspection units were reviewed in accordance with state inspection plan? Previous Question D(2).2 Yes = 1 No = 0 Needs Improvement = .5	1	NA
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SLR Notes:

B.21 ? B.26 NA. Arkansas is a 60105(a) program.

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| 23 | 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.) Previous Question D(2).3
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|--|---|----|

SLR Notes:

B.21 ? B.26 NA. Arkansas is a 60105(a) program.

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| 24 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? Previous Question D(2).4
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|--|---|----|

SLR Notes:

B.21 ? B.26 NA. Arkansas is a 60105(a) program.

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| 25 | Did the state give written notice to PHMSA within 60 days of all probable violations found? Previous Question D(2).5
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|---|---|----|

SLR Notes:

B.21 ? B.26 NA. Arkansas is a 60105(a) program.

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| 26 | Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? Previous Question D(2).6
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|---|---|----|

SLR Notes:

B.21 ? B.26 NA. Arkansas is a 60105(a) program.

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|-----------|--|-----------|-----------|
| 27 | 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)
Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

SLR Notes:

B.27. Yes, Bobby is familiar with the Show Cause process, and he was recently successful in shepparding a One-Call violation through a County District Attorney's Office for a \$500 civil penalty. A 2nd attempt is in process.

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|-----------|---|-----------|-----------|
| 28 | Part B: General Comments/Regional Observations
Info Only = No Points | Info Only | Info Only |
|-----------|---|-----------|-----------|

SLR Notes:

B.28 The Arkansas Pipeline Safety Office (PSO) continues to be well run. The new Inspection Database has now been in operation for close to three years, it has proven to be an improvement over the previous system and tweaking for further improvement is occurring. The PSO was allowed to increase staff by 1 inspector in October, 2009. The PSO is dedicating manpower to OQ, IMP, Damage Prevention, Public awareness, Gathering Line Regulations, Construction Inspections, & other special projects in addition to its primary focus on Standard Inspections.

Total points scored for this section: 22.5
Total possible points for this section: 24.5

PART C - Interstate Agent States

Points(MAX) Score

- | | | | |
|----------|---|---|----|
| 1 | Did the state use the current federal inspection form(s)? Previous Question D(3).1
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

SLR Notes:

C.1 ? C.8. NA. Not an Interstate Agent.

- | | | | |
|----------|--|---|----|
| 2 | Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? Previous Question D(3).2
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

SLR Notes:

C.1 ? C.8. NA. Not an Interstate Agent.

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|----------|--|---|----|
| 3 | Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? Previous Question D(3).3
Yes = 1 No = 0 | 1 | NA |
|----------|--|---|----|

SLR Notes:

C.1 ? C.8. NA. Not an Interstate Agent.

- | | | | |
|----------|---|---|----|
| 4 | 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.) Previous Question D(3).4
Yes = 1 No = 0 | 1 | NA |
|----------|---|---|----|

SLR Notes:

C.1 ? C.8. NA. 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? Previous Question D(3).5
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

SLR Notes:

C.1 ? C.8. NA. Not an Interstate Agent.

- | | | | |
|----------|--|---|----|
| 6 | Did the state give written notice to PHMSA within 60 days of all probable violations found? Previous Question D(3).6
Yes = 1 No = 0 | 1 | NA |
|----------|--|---|----|

SLR Notes:

C.1 ? C.8. NA. Not an Interstate Agent.

- | | | | |
|----------|--|---|----|
| 7 | Did the state initially submit documentation to support compliance action by PHMSA on probable violations? Previous Question D(3).7
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

SLR Notes:

C.1 ? C.8. NA. Not an Interstate Agent.

- | | | | |
|----------|---|-----------|-----------|
| 8 | Part C: General Comments/Regional Observations
Info Only = No Points | Info Only | Info Only |
|----------|---|-----------|-----------|

SLR Notes:

C.1 ? C.8. NA. Not an Interstate Agent.

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

PART D - Incident Investigations

Points(MAX) Score

- | | | | |
|----------|--|---|---|
| 1 | Are state personnel following the procedures for Federal/State cooperation in case of an incident? (See Appendix in "Guidelines for States Participating in the Pipeline Safety Program") (Chapter 6.1) Previous Question E.1
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

SLR Notes:

D.1 Yes, 'Appendix E ? Federal/State Cooperation in Case of an Incident/Accident' is being followed.

- | | | | |
|----------|---|----|----|
| 2 | Are state personnel familiar with the jurisdictional authority and Memorandum of Understanding between NTSB and PHMSA? (See Appendix in "Guidelines for States Participating in the Pipeline Safety Program") (Chapter 6 ? Appendix D) Previous Question E.2
Yes = .5 No = 0 | .5 | .5 |
|----------|---|----|----|

SLR Notes:

D.2 Yes, the State has a good understanding of the MOU between NTSB and DOT (PHMSA).

- | | | | |
|----------|--|---|---|
| 3 | Did the state keep adequate records of incident notifications received? Previous Question E.3
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

SLR Notes:

D.3 YES, All incidents are investigated and a report is made. (one incident in '05, three in '09, none since)

- | | | | |
|----------|--|---|---|
| 4 | If an onsite investigation of an incident was not made, did the state obtain sufficient information by other means to determine the facts and support the decision not to go on-site? Previous Question E.4
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

SLR Notes:

D.4 Yes, telephonic contact, but it is the practice of PSC to visit every federally reportable incident.

- | | | | |
|----------|---|--------------------------------------|--|
| 5 | Were investigations thorough and conclusions and recommendations documented in an acceptable manner? Previous Question E.5, comprehensive question worth 2 points total
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
| a. | Observations and Document Review | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Contributing Factors | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Recommendations to prevent recurrences where appropriate | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

SLR Notes:

D.5 Yes for 2010 as a 2009 incident has been worked throughout 2010 and into 2011. Fed Form F7100.1 is required of all Federal or State reportable incidents. In the event that a site visit is made, the PHMSA Form 11 is used. In '09, there were 3 Fed reportable incidents reported. Two of the federally reportable incidents were visited on-site & the other was handled telephonically.

- | | | | |
|----------|---|---|---|
| 6 | Did the state initiate enforcement action for violations found during any incident investigation(s)? Previous Question E.6 Variation
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

D.6 Yes, there were 3 Fed reportable incidents and there were probable violations found on 2 of those incidents. One of the probable violations included a \$15K civil penalty that was worked throughout 2010 and into 2011.

- | | | | |
|----------|--|----|----|
| 7 | 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 annual report data from operators concerning incidents/accidents and investigate discrepancies) (Chapter 6) Previous Question E.7/E.8
Yes = .5 No = 0 | .5 | NA |
|----------|--|----|----|

SLR Notes:

D.7 NA, there were no Federal follow up actions in '10. All historical intrastate incidents have been closed.

- | | | | |
|----------|---|-----------|-----------|
| 8 | Part D: General Comments/Regional Observations
Info Only = No Points | Info Only | Info Only |
|----------|---|-----------|-----------|

SLR Notes:

D.8 Yes, NRC reports are received, telephonic reports are filed, and site visits are made for federally reportable incidents. Form F7100.1 reports are reviewed & checked to ensure a final report has been submitted.

Total points scored for this section: 6.5
Total possible points for this section: 6.5



PART E - Damage Prevention Initiatives

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? Previous Question B.11
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

SLR Notes:

E.1 Yes, In early '07 it was discovered that this question was not well addressed on the current Federal Standard Inspection form. APSC modified the Federal Form to include this subject. APSC reviews operator's directional drilling procedures during their inspections, and requires 'pot-holing' to insure the bored pipe is located correctly.

- | | | | |
|----------|--|---|---|
| 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? New 2008
Yes = 2 No = 0 | 2 | 2 |
|----------|--|---|---|

SLR Notes:

E.2 Yes, it is in the Std Insp Form, under Damage Prevention.

- | | | | |
|----------|---|---|---|
| 3 | Did the state encourage and promote the adoption of the Common Ground Alliance Best Practices document to its regulated companies as a means of reducing damages to all underground facilities? Previous Question A.7
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

SLR Notes:

E.3 Yes, APSC has a One-Call link on its web site. It is addressed in the every 3rd year TSI Seminars. It is reviewed during every Standard Inspection. In '09 APSC helped to establish an Arkansas CGA Regional Partnership. Specifically APSC has been working with Bob McArthur, CEO of AR One Call, to compare the 9 elements with the current AR Damage Prevention Law. Many elements are being addressed, but enforcement has not been effectively addressed, however, the Pipeline Safety Office was recently successful in shepparding a One-Call violation through a County District Attorney's Office for a \$500 civil penalty. A 2nd attempt is in process. One-call membership is mandatory of all underground utilities including Gas Operators. AR Law 14-271 requires One-Call notifications with exceptions per 14-271-109 (hand tools, some routine road work, farming, graves, pre-engineered projects, & some emergency responses), and allows for Civil penalties per 14-271-104. In '06-participated in a legislative initiative to require mandatory one-call membership for any company with underground facilities. Senate Bill 82. In '05-participated with an RP 1162 compliance seminar. PSC regulates the One-call center.

- | | | | |
|----------|---|---|---|
| 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? New 2008
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

E.4 ARKUPS, the pipe locating service of AR One-Call tracks the number of locates per damage. It was 9.2/1000 in 2009 and 8.0/1000 in 2010.

- | | | | |
|----------|--|---|---|
| 5 | Did the state review operators' records of accidents and failures due to excavation damage to ensure causes of failure are addressed to minimize the possibility of recurrence as required by 192.617?
Yes = 2 No = 0 | 2 | 2 |
|----------|--|---|---|

SLR Notes:

E.5 Yes, for federally reportable and State reportable incidents.

- | | | | |
|----------|---|-----------|-----------|
| 6 | Part E: General Comments/Regional Observations
Info Only = No Points | Info Only | Info Only |
|----------|---|-----------|-----------|

SLR Notes:

E.6 APSC continues to work on achieving the 9 elements of the 2006 PIPES ACT. The AR CGA was created in 2009. The Pipeline Safety Office was recently successful in shepparding a One-Call violation through a County District Attorney's Office for a \$500 civil penalty. A 2nd attempt is in process.

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

PART F - Field Inspection

Points(MAX) Score

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

Name of Operator Inspected:
Center Point Energy Arkansas Gas Co, opid 603, Little Rock Dist.
Name of State Inspector(s) Observed:
Greg Loarie
Location of Inspection:
Little Rock, AR
Date of Inspection:
7/13/11
Name of PHMSA Representative:
Patrick Gaume

SLR Notes:

F.1 Center Point Energy Arkansas Gas Co, opid 603, Little Rock Dist.
Greg Loarie
Little Rock, AR
7/13/11
Patrick Gaume

- 2** Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? New 2008 1 1
Yes = 1 No = 0

SLR Notes:

F.2 Yes, the Operator was notified in advance and they had 3 personnel participating in the inspection

- 3** Did the inspector use an acceptable inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) Previous Question F.2 2 2
Yes = 2 No = 0

SLR Notes:

F.3 Yes, Form 2, Standard Inspection Report of Gas Distribution Operator.

- 4** Did the inspector thoroughly document results of the inspection? Previous Question F.3 2 NA
Yes = 2 No = 0

SLR Notes:

F.4 NA, A half day field inspection was observed, the field notes were through, but filling out the Form was not the targeted objective on the day I observed. I have full confidence the Form will be filled out based on the field notes.

- 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.) New 2008 1 1
Yes = 1 No = 0

SLR Notes:

F.5 Yes, multi-meter, CGI unit, Operator CP list, half cell, hand tools, signs, stickers, etc.

- 6** What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc) New 2008 Info Only Info Only
Info Only = No Points

SLR Notes:

F.6 Standard Inspection of a Distribution Unit, specifically a field inspection of 10 cp points with associated meters, valves, exposed pipe, etc.

- 7** Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) New 2008, comprehensive question worth 2 points total 2 2
Yes = 2 No = 0 Needs Improvement = 1
- a. Procedures ☐
- b. Records ☐

- | | | |
|----|-----------------------------|-------------------------------------|
| c. | Field Activities/Facilities | <input checked="" type="checkbox"/> |
| d. | Other (Please Comment) | <input type="checkbox"/> |

SLR Notes:

F.7 Yes, This was a Field portion of a full standard inspection and was focused on field activities.

- | | | | |
|----------|---|---|---|
| 8 | Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Liaison will document reasons if unacceptable) Previous Question F.8 | 2 | 2 |
| | Yes = 2 No = 0 | | |

SLR Notes:

F.8. Yes, Greg showed adequate knowledge of the pipeline safety program goals and regulations.

- | | | | |
|----------|--|---|---|
| 9 | 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) Previous Question F.10 | 1 | 1 |
| | Yes = 1 No = 0 | | |

SLR Notes:

F.9. Yes, one was planned. A caucus with Greg confirmed that he planned to address an exposed bare 1 ?" service line that had no CP protection; finding line markers that were out of date; an exposed 4" main that was exposed and in contact with sharp rocks, and signs of atmospheric corrosion on the air/soil interface of a valve assembly

- | | | | |
|-----------|--|---|---|
| 10 | During the exit interview, did the inspector identify probable violations found during the inspections? Previous Question F.11 | 1 | 1 |
| | Yes = 1 No = 0 | | |

SLR Notes:

F.10. Yes, one was planned. A caucus with Greg confirmed that he planned to address an exposed bare 1 ?" service line that had no CP protection; finding line markers that were out of date; an exposed 4" main that was exposed and in contact with sharp rocks, and signs of atmospheric corrosion on the air/soil interface of a valve assembly.

- | | | | |
|-----------|--|-----------|-----------|
| 11 | What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) | Info Only | Info Only |
| | Info Only = No Points | | |

SLR Notes:

F.11 CP tests, CP test stations, line markers, locks and chains, atmospheric corrosion, valves, exposed mains, exposed service line, line coating, meter ground clearance, nuts, bolts, seals, flanges, evidence of leaks, anodeless riser support.

- | | | | |
|-----------|---|-----------|-----------|
| 12 | Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) | Info Only | Info Only |
| | Info Only = No Points | | |

SLR Notes:

F.12 Spend time in the Field! You ALWAYS find items needing attention.

- | | | | |
|-----------|---|-------------------------------------|-----------|
| 13 | Field Observation Areas Observed (check all that apply) | Info Only | Info Only |
| | Info Only = No Points | | |
| a. | Abandonment | <input type="checkbox"/> | |
| b. | Abnormal Operations | <input type="checkbox"/> | |
| c. | Break-Out Tanks | <input type="checkbox"/> | |
| d. | Compressor or Pump Stations | <input type="checkbox"/> | |
| e. | Change in Class Location | <input type="checkbox"/> | |
| f. | Casings | <input type="checkbox"/> | |
| g. | Cathodic Protection | <input checked="" type="checkbox"/> | |
| h. | Cast-iron Replacement | <input type="checkbox"/> | |
| i. | Damage Prevention | <input checked="" type="checkbox"/> | |
| j. | Deactivation | <input checked="" 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 checked="" 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 type="checkbox"/>
C.	Tapping	<input type="checkbox"/>
D.	Valve Maintenance	<input checked="" type="checkbox"/>
E.	Vault Maintenance	<input type="checkbox"/>
F.	Welding	<input type="checkbox"/>
G.	OQ - Operator Qualification	<input type="checkbox"/>
H.	Compliance Follow-up	<input type="checkbox"/>
I.	Atmospheric Corrosion	<input checked="" type="checkbox"/>
J.	Other	<input type="checkbox"/>

SLR Notes:

F.13 CP tests, CP test stations, line markers, locks and chains, atmospheric corrosion, valves, exposed mains, exposed service line, line coating, meter ground clearance, nuts, bolts, seals, flanges, evidence of leaks, anodeless riser support.

Checked items: g, i, j, l, m, o, D, I.

14 Part F: General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

F.14 On July 13, 2011, Mr Greg Loarie performed a Field portion of a Standard Inspection of a gas distribution Unit Operated by Center Point Energy Arkansas Gas Co at Little Rock, AR. The Evaluation was to observe Mr. Loarie while he performed a morning of Field Inspection of the gas distribution Unit. The Operator was very cooperative and Mr. Loarie conducted himself in a courteous, competent, and professional manner.

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



PART G - PHMSA Initiatives - Strategic Plan

Points(MAX) Score

Risk base Inspections - Targeting High Risk Areas

- 1** Does state have process to identify high risk inspection units? 1.5 1.5
Yes = 1.5 No = 0

Risk Factors (criteria) to consider may include:

Miles of HCA's, Geographic area, Population Density

Length of time since last inspection

History of Individual Operator units (leakage, incident and compliance history, etc.)

Threats - (Excavation Damage, Corrosion, Natural Forces, Other Outside Forces, Material or Welds, Equipment, Operations, Other)

SLR Notes:

G.1 Mostly; The Arkansas PSO has identified the majority of the various risk factors and they have been written into the O&I Plan for Standard, OQ, & IMP. The specific information has been broken out and loaded into four Master Spreadsheets. The weighted answers help to identify the 'Problem Operators'. The spreadsheet is focused on Operators and not Units. APSC is satisfied that a risk review by operator is sufficient. The applicability of the spreadsheets are reviewed every time they are used and all staff feel free to recommend tweaks to the spreadsheets.

- 2** Are inspection units broken down appropriately? (see definitions in Guidelines) .5 0.5
Yes = .5 No = 0

SLR Notes:

G.2 Yes, Units are created by Operator, pipe location, Operator management unit, etc.

- 3** Consideration of operators DIMP Plan? (if available and pending rulemaking) Info Only Info Only
Info Only = No Points

SLR Notes:

G.3 Yes, APSC is aware of the pending DIMP Rule and will implement the DIMP inspections per the federal guidelines. Three staff attended the T&Q May 23-26, 2011 DIMP Class in Houston, TX.

- 4** Does state inspection process target high risk areas? .5 0.5
Yes = .5 No = 0

SLR Notes:

G.4 Yes, the O&I Plan names several high risk factors to consider, and units are selected for inspection in accordance with the O&I.

Use of Data to Help Drive Program Priority and Inspections

- 5** Does state use data to analyze effectiveness of damage prevention efforts in the state? (DIRT or other data, etc) .5 0.5
Yes = .5 No = 0

SLR Notes:

G.5 Yes, have # calls and # damages in AR, they disaggregate information from annual reports, and by fully using 192.614(c) & 192.615(a), they review the entire report of every line hit during each Standard inspection and explore the value of the mitigations used. This process is deemed to be comparable to DIRT.

- 6** Has state reviewed data on Operator Annual reports for accuracy? .5 0.5
Yes = .5 No = 0

SLR Notes:

G.6 Yes, the APSC Pipeline Chief personally reviews current annual reports against prior year reports and contacts the Operators when there are questions over the data. Also, pipeline mileage is used for assessing user fees so it is closely monitored. The information is also analyzed to help determine the effectiveness of Damage Prevention.

- 7** Has state analyzed annual report data for trends and operator issues? .5 0.5
Yes = .5 No = 0

SLR Notes:

G.7. APSC reviews the Form for completeness, miles of pipe, cast iron, bare steel, leak causes, & lost and unaccounted for gas and trends it relative to prior years. The information is also analyzed to help determine the effectiveness of Damage Prevention.

- 8** Has state reviewed data on Incident/Accident reports for accuracy? .5 0.5

Yes = .5 No = 0

SLR Notes:

G.8. Yes, incident reports are reviewed for completeness, probable cause, final report, timeliness, & necessary procedural changes. It is part of the determination to identify the probable cause, probable violations, and possible fines.

9	Does state do evaluation of effectiveness of program based on data? (i.e. performance measures, trends, etc.)	.5	0.5
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Yes = .5 No = 0

SLR Notes:

G.9 Yes, Program effectiveness is measured relative to State & Federal reportable incidents, miles of cast iron and bare steel replaced, number of violations & number of violations corrected, the scheduling of inspections in a timely manner and then further prioritized relative to probable violations, how the PV were resolved, & incidents if any.

10	Did the State input all operator qualification inspection results into web based database provided by PHMSA in a timely manner upon completion of OQ inspections? Previous Question B.15	.5	0.5
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Yes = .5 No = 0

SLR Notes:

G.10 Yes, In 2010, APSC focused on OQ Protocol 9 inspections, and performed at least one Protocol 9 inspection for every Operator inspected. They were all uploaded into the OQ database by year end.

11	Did the State submit their replies into the Integrity Management Database (IMDB) in response to the Operators notifications for their integrity management program? Previous Question B.16	.5	NA
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Yes = .5 No = 0

SLR Notes:

G.11 NA, no replies have been required from APSC.

12	Have the IMP Federal Protocol forms been uploaded to the IMDB? Previous Question B.17	.5	NA
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Yes = .5 No = 0

SLR Notes:

G.12 NA, there were no IMP inspections where APSC was the Lead.

13	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? Previous Question B.18	.5	0.5
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Yes = .5 No = 0

SLR Notes:

G.13 Yes, APSC has strongly recommended to all distribution companies with plastic pipe to participate and provide data to the PLASTIC PIPE DATA BASE COMMITTEE. (PPDC) with the AGA providing umbrella support. The Aldyl-A plastic pipe advisory has been distributed to all the Distribution Companies. AR is the test site for the new PA-11 project which is the first project to use 4" pipe. A waiver has been provided to go to 200 psig MAOP. AR may be a test site for PA-12 in 2011.

14	Has state confirmed transmission operators have submitted information into National Pipeline Mapping System (NPMS) database along with any changes made after original submission?	.5	0.5
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Yes = .5 No = 0

SLR Notes:

G.14 Yes APSC noted the requirement and effective 7/22/09 added this requirement to the Standard Inspection Form Addendum Sheet.

Accident/Incident Investigation Learning and Sharing Lessons Learned

15	Has state shared lessons learned from incidents/accidents? (i.e. NAPSIR meetings and communications)	.5	0.5
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Yes = .5 No = 0

SLR Notes:

G.15 Yes, LDNR makes a report during the SW Region NAPSIR Meeting, and responds as appropriate to email correspondence. There were 0 significant incidents in 2010.

16	Does the State support data gathering efforts concerning accidents? (Frequency/Consequence/etc)	.5	0.5
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Yes = .5 No = 0

SLR Notes:

G.16. Yes, reports are received, followup is made, paperwork is checked, lessons learned are derived, Accident causes and regulatory compliance are determined, and site visits are usually made. Operators are encouraged to share lessons learned. Inspector duties are strongly outlined in the O&I Plan.

17 Does state have incident/accident criteria for conducting root cause analysis? Info Only Info Only
Info Only = No Points

SLR Notes:

G.17 APSC does not have a criteria for a formal Root Cause Analysis at this time. One inspector took the Root Cause class in 2008, and another inspector took the class in 2010. Additional inspectors will be placed on the Root Cause class wait list at the next opportunity. They do search for probable cause and compliance with the regulations at this time. APSC has been made aware of the DIRT Form, and encourage operators to utilize DIRT.

18 Does state conduct root cause analysis on incidents/accidents in state? Info Only Info Only
Info Only = No Points

SLR Notes:

G.18 APSC does not have a criteria for a formal Root Cause Analysis at this time. One inspector took the Root Cause class in 2008, and another inspector took the class in 2010. Additional inspectors will be placed on the Root Cause class wait list at the next opportunity. They do search for probable cause and compliance with the regulations at this time. APSC has been made aware of the DIRT Form, and encourage operators to utilize DIRT.

19 Has state participated on root cause analysis training? (can also be on wait list) .5 0.5
Yes = .5 No = 0

SLR Notes:

G.19 Yes, Two inspectors have taken the course to date. Additional inspectors will be placed on the Root Cause class wait list at the next opportunity.

Transparency - Communication with Stakeholders

20 Other than pipeline safety seminar does State communicate with stakeholders? (Communicate program data, pub awareness, etc.) .5 0.5
Yes = .5 No = 0

SLR Notes:

G.20 APSC has a web site which offers emergency contact numbers, natural gas hazards, annual reports for all operators in Arkansas, and links to related sites including PHMSA, & Safety tips for the Public.

21 Does state share enforcement data with public? (Website, newsletters, docket access, etc.) .5 0.5
Yes = .5 No = 0

SLR Notes:

G.21 Yes, all Operators have docket access. Currently the Public has rights to request and receive paper and electronic records. APSC has been made aware that other States are posting finalized Inspection results on their web sites and they started doing the same on 7/12/11.

22 Part G: General Comments/Regional Observations Info Only Info Only
Info Only = No Points

SLR Notes:

G.22 APSC participates within NAPSAR to share lessons learned from incident investigations. APSC is developing an outreach program to better communicate with Operators and the public. Effective 7/12/11 finalized inspections started being posted to the AR Public service Commission website. The risk ranking spreadsheets started being used in 2009. Two inspectors have received Root Cause Analysis training. More inspectors are scheduled for Root Cause Analysis.

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

PART H - Miscellaneous

Points(MAX) Score

- | | | | |
|----------|---|----|-----|
| 1 | What were the major accomplishments for the year being evaluated? (Describe the accomplishments, NAPSR Activities and Participation, etc.)
Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

SLR Notes:

H.1 Yes, Effective 7/12/11, the AR Public Service Commission website was updated and finalized inspections started being posted to the website. The Pipeline Safety Office was recently successful in shepparding a One-Call violation through a County District Attorney's Office for a \$500 civil penalty. A 2nd attempt is in process. The initiative to accelerate cast iron replacement has had success; A major Operator has agreed to accelerate a 27 year replacement plan originally scheduled for 2001-2027 to finish by 2022. Discussions are in progress to consider further acceleration for an end date in 2018. While bare pipe has never shown to be a problem, this same operator plans to replace all bare pipe (695 miles remaining) by 2026.

- | | | | |
|----------|--|----|-----|
| 2 | What legislative or program initiatives are taking place/planned in the state, past, present, and future? (Describe initiatives (i.e. damage prevention, jurisdiction/authority, compliance/administrative, etc.)
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

H.2 Yes, The PSO enforces current Federal Regulations and provides technical information to the AR Legislature to make changes as needed in State Laws. The necessary changes were approved by the 2008 Legislature. Effective enforcement of the State One-call rule is still needed and will likely be re-attempted in the 2012 legislature. The PSO was approved to increase staff by one Inspector in 2009.

- | | | | |
|----------|--|----|-----|
| 3 | Any Risk Reduction Accomplishments/Projects? (i.e. Cast iron replacement projects, bare steel, third-party damage reductions, etc.)
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

H.3 Yes, the programs to accelerate removal of cast iron and bare pipe are noted. The recent success in working with a Dist Atty for a \$500 civil penalty for a One-Call violation is also noted.

- | | | | |
|----------|--|---|---|
| 4 | Did the state participate in/respond to surveys or information requests from NAPSR or PHMSA?
Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

SLR Notes:

H.4 Yes, APSC works with NAPSR, T&Q, NTSB, & PHMSA, and responds to all surveys.

- | | | | |
|----------|---|----|-----|
| 5 | Sharing Best Practices with Other States - (General Program)
Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

SLR Notes:

H.5 Yes, through SW Region NAPSR & correspondence with other States. The acceleration programs, the success with the Dist Atty, and AR's Damage Prevention analysis process as an alternative to DIRT.

- | | | | |
|----------|---|-----------|-----------|
| 6 | Part H: General Comments/Regional Observations
Info Only = No Points | Info Only | Info Only |
|----------|---|-----------|-----------|

SLR Notes:

H.6 Have been able to hire a new employee in 2009 which increased full Inspector staff complement from 6 to 7. Have been able to replace attrition and maintain full staffing. The new staff mix requires TQ training and Inspector experience has slightly dipped. Successfully worked with AR One-Call to develop and create the AR CGA. Have been able to determine that 8 of the 9 elements for Damage Prevention in the 2006 PIPES Act have been mostly met. The initiative to accelerate cast iron replacement has had success; A major Operator has agreed to accelerate a 27 year replacement plan originally scheduled for 2001-2027 to finish by 2022. Discussions are in progress to consider further acceleration for an end date in 2018. While bare pipe has never shown to be a problem, this same operator plans to replace all bare pipe (695 miles remaining) by 2026.

Total points scored for this section: 3
Total possible points for this section: 3

PART I - Program Initiatives

Points(MAX) Score

Drug and Alcohol Testing (49 CFR Part 199)

- | | | | |
|----------|---|---|---|
| 1 | Has the state verified that operators have drug and alcohol testing programs?
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

I.1 Yes, since the inception of the D&A Program, and verifies with all new Operators.

- | | | | |
|----------|--|----|-----|
| 2 | Is the state verifying that operators are conducting the drug and alcohol tests required by the operators program (random, post-incident, etc.)
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

I.2 Yes, per Fed Form #13.

- | | | | |
|----------|---|----|---|
| 3 | Is the state verifying that any positive tests are responded to in accordance with the operator's program?
Yes = .5 No = 0 | .5 | 0 |
|----------|---|----|---|

SLR Notes:

I.3 NO, This question was reported to have been added to the Standard inspection Addendum Sheet on 7/22/09, but it is missing from the current form. This question will be added back to the Addendum sheet effective 7/14/11.

Qualification of Pipeline Personnel (49 CFR Part 192 Subpart N)

- | | | | |
|----------|---|---|---|
| 4 | Has the state verified that operators have a written qualification program?
Yes = 1 No = 0 | 1 | 0 |
|----------|---|---|---|

SLR Notes:

I.4 NO, records for the OQ inspection of Albemarle Corporation were not found. The other Operators have been OQ inspected and re-inspected. Several Protocol 9 inspections are done every year.

- | | | | |
|----------|--|----|-----|
| 5 | Has the state reviewed operator qualification programs for compliance with PHMSA rules and protocols?
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

I.5 Yes, All OQ inspections were done using Federal Forms and according to Federal guidelines. All Operators came into compliance.

- | | | | |
|----------|--|----|-----|
| 6 | Is the state verifying that persons who perform covered tasks for the operator are qualified in accordance with the operator's program?
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

I.6 Yes, it is covered in the OQ inspections. Also Protocol 9 reviews are done every year.

- | | | | |
|----------|--|----|-----|
| 7 | Is the state verifying that persons who perform covered task for the operator are requalified at the intervals specified in the operator's program?
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

I.7 Yes, OQ records are checked during every OQ inspection and every Protocol 9 inspection.

Gas Transmission Pipeline Integrity Management (49 CFR Part 192 Subpart O)

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|----------|--|---|---|
| 8 | Has the state verified that all operators with transmission pipelines have either adopted an integrity management program (IMP), or have properly determined that one is not required?
Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

SLR Notes:

I.8 Yes, all Gas Operators have been contacted. All Gas Operators have either declared they have prepared a GIMP program or declared they have no HCAs. Every Gas Operator with an identified HCA have received a full GIMP Inspection. The inspections have been uploaded into the fed database. All Gas Operator Protocol A have been reviewed.

- | | | | |
|----------|--|----|-----|
| 9 | Has the state verified that in determining whether a plan is required, the operator correctly calculated the potential impact radii and properly applied the definition of a high consequence area?
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

I.9 Yes, the impact radii calculations and the HCA determinations have been verified during every GIMP review.

10	Has the state reviewed operator IMPs for compliance with Subpart O? (In accordance with State Inspection plan) Yes = .5 No = 0	.5	0.5
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SLR Notes:

I.10 Yes, all initial GIMP have been done and compliance with subpart O has been checked. GIMP re-inspections are scheduled to started in October, 2010.

11	Is the state monitoring operator progress on the inspections, tests and remedial actions required by the operator's IMP, including that they are being done in the manner and schedule called for in its IMP? Yes = .5 No = 0	.5	0.5
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SLR Notes:

I.11 Yes, tests and remedial actions are being checked for compliance with their plan.

12	Is the state verifying that operators are periodically examining their transmission line routes for the appearance of new HCAs? Yes = .5 No = 0	.5	0.5
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SLR Notes:

I.12 Yes, all Gas Transmission Operators have had their first GIMP inspection, and any new HCA will be reviewed during the next GIMP inspection. GIMP re-inspections started in October, 2010.

Public Awareness (49 CFR Section 192.616)

13	Has the state verified that each operator has developed a continuing public awareness program? (due date was 6/20/06 for most operators, 6/20/07 for certain very small operators, 6/13/08 for master meters) Yes = .5 No = 0	.5	0.5
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SLR Notes:

I.13 Yes, First compared the AR Operator list with the Clearing House plan submission list and verified all had submitted. Then reviewed and resolved with the Operators all the Clearing House and CATS exceptions. Master Meters have received directions from APSC on how to create their Public Awareness Programs. The Master Meter Program reviews are being emphasized during the standard inspections during 2010, 2011, and 2012.

14	Has the state reviewed the content of these programs for compliance with 192.616 (by participating in the Clearinghouse or by other means)? Yes = .5 No = 0	.5	0.5
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SLR Notes:

I.14 Yes, and have also reviewed and resolved with the Operator all the Clearing House and CATS exceptions. The Master Meter Programs are in progress.

15	Is the state verifying that operators are conducting the public awareness activities called for in its program? Yes = .5 No = 0	.5	0.5
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SLR Notes:

I.15 Yes, through records review during Standard Inspections.

16	Is the state verifying that operators have evaluated their Public Awareness programs for effectiveness as described in RP1162? Info Only = No Points	Info Only	Info Only
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SLR Notes:

I.16 This was not an area of emphasis during 2010. During 2011 APSC is observing Centerpoint's review of their 'bounce back' and telephone surveys. Centerpoint is working with AR Tech Marketing Department to analyze the 'bounce back' and perform the telephone surveys.

17	Part I: General Comments/Regional Observations Info Only = No Points	Info Only	Info Only
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SLR Notes:

I.17 APSC has an active D&A inspection program, has a plan to perform the OQ re-inspections, is performing the GIMP re-inspections, has done the Public Awareness reviews of non Master Meter operators, and the Master Meter Public Awareness reviews are a work in progress.

Total points scored for this section: 7.5
Total possible points for this section: 9