



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

1200 New Jersey Avenue SE  
Washington DC 20590

# 2011 Natural Gas State Program Evaluation

for

ARKANSAS PUBLIC SERVICE COMMISSION

## Document Legend

### PART:

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



2011 Natural Gas State Program Evaluation -- CY 2011  
Natural Gas

**State Agency:** Arkansas

**Agency Status:**

**Date of Visit:** 05/07/2012 - 05/11/2012

**Agency Representative:** Robert Henry, Chief of Pipeline Safety

**PHMSA Representative:** Patrick Gaume, State Liaison Representative

**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 2011 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

---

**Field Inspection (PART G):**

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

---

**Scoring Summary**

**PARTS**

**Possible Points    Points Scored**

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

10            8.5  
15            15  
43            43  
14            14  
8             8  
8             8  
12            12  
0             0  
0             0

**TOTALS**

**110            108.5**

**State Rating .....**

**98.6**

---

# PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- |          |   |   |     |
|----------|---|---|-----|
| <b>1</b> | Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1 (A1a)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|----------|---|---|-----|

Evaluator Notes:

A1. NI 0.5 pts. In Attachment 1, you under-reported Distribution LNG operators from 1 to 0, Transmission Intrastate operators from 14 to 12, and Other Gathering Lines operators from 4 to 2. You did the under-reporting to force the Attachment 1 operator total to show the 175 actual regulated operators. It is more important to show the correct operator count by subcategory and allow the total operator count to be inflated. We know the inflated count is reflective of those operators that have multiple types of Units, and we use Attachment 3 to find the actual total of operators.

- |          |  |   |   |
|----------|--|---|---|
| <b>2</b> | Review of Inspection Days for accuracy - Progress Report Attachment 2 (A1b)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

A2. Yes. Attach 2 is consistent with State records. 537 man days

- |          |  |   |   |
|----------|--|---|---|
| <b>3</b> | Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3 (A1c)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

A3. Yes

- |          |  |   |   |
|----------|--|---|---|
| <b>4</b> | Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 (A1d)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

A4. Yes. There were no reportable incidents in 2011

- |          |  |   |   |
|----------|--|---|---|
| <b>5</b> | Accuracy verification of Compliance Activities - Progress Report Attachment 5 (A1e)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0 |
|----------|--|---|---|

Evaluator Notes:

A5. No. 0 pts. In Attachment 5, "number to be corrected at end of CY" should be 109, not the 87 reported. The data supporting Attachment 5 needs to be reviewed & corrected as needed and Attachment 5 should then be resubmitted

- |          |   |   |   |
|----------|---|---|---|
| <b>6</b> | Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 (A1f, A4)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

A6. Yes. The files are in file cabinets in three PSC offices

- |          |  |   |   |
|----------|--|---|---|
| <b>7</b> | Was employee listing and completed training accurate and complete? - Progress Report Attachment 7 (A1g)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

A7. Yes

- |          |   |   |   |
|----------|---|---|---|
| <b>8</b> | Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

A8. Yes. Attachment 8 is correct as of 12/31/2011. We discussed the legislation that became effective on 4/12/12 where all of the items noted as "taking steps to Adopt" have now been adopted

---

<b>9</b>	List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 (H1-3) Yes = 1 No = 0 Needs Improvement = .5	1	1
----------	---	---	---

Evaluator Notes:

A9. Yes. Attachment 10 is filled out

---

<b>10</b>	General Comments: Info Only = No Points	Info Only	Info Only
-----------	--	-----------	-----------

Evaluator Notes:

---

Total points scored for this section: 8.5  
Total possible points for this section: 10



## PART B - Program Inspection Procedures

Points(MAX) Score

- |          |  |   |   |
|----------|--|---|---|
| <b>1</b> | Standard Inspections (B1a)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

B1. Yes, they have the procedures in the Arkansas Pipeline Safety Operation and Inspection Plan

- |          |   |   |   |
|----------|---|---|---|
| <b>2</b> | IMP Inspections (including DIMP) (B1b)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

B2. Yes, they have the procedures in the Arkansas Pipeline Safety Operation and Inspection Plan

- |          |   |   |   |
|----------|---|---|---|
| <b>3</b> | OQ Inspections (B1c)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

B3. Yes, they have the procedures in the Arkansas Pipeline Safety Operation and Inspection Plan

- |          |  |   |   |
|----------|--|---|---|
| <b>4</b> | Damage Prevention Inspections (B1d)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

B4. Yes, they have the procedures in the Arkansas Pipeline Safety Operation and Inspection Plan. It is specified to be included in Standard Inspections

- |          |  |   |   |
|----------|--|---|---|
| <b>5</b> | On-Site Operator Training (B1e)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

B5. Yes, they have the procedures in the Arkansas Pipeline Safety Operation and Inspection Plan. It is specified to be included in every Inspection

- |          |   |   |   |
|----------|---|---|---|
| <b>6</b> | Construction Inspections (B1f)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

B6. Yes, they have the procedures in the Arkansas Pipeline Safety Operation and Inspection Plan

- |          |  |   |   |
|----------|--|---|---|
| <b>7</b> | Incident/Accident Investigations (B1g)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

B7. Yes, they have the procedures in the Arkansas Pipeline Safety Operation and Inspection Plan

- |          |   |   |   |
|----------|---|---|---|
| <b>8</b> | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? (B2a-d, G1,2,4)<br>Yes = 6 No = 0 Needs Improvement = 1-5 | 6 | 6 |
|----------|---|---|---|

- |    |   |                                      |                          |   |
|----|---|--------------------------------------|--------------------------|---|
| a. | Length of time since last inspection  | 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 ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

B8. Yes, All selecting criteria are named and used, and length of time since the last inspection is used to place a maximum limit between inspections. The other criteria are used more for determining special and follow-up inspections. A detailed risk identifying spreadsheet is also used

---

9 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

---

Total points scored for this section: 15  
Total possible points for this section: 15



## 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 (A12) 5 5  
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):  
537.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
220 X 5.83 = 1283.33

Ratio: A / B  
537.00 / 1283.33 = 0.42

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

Evaluator Notes:

C1. Yes. 537 insp days/(5.83p-yrs\*220days/yr)=.4187, 0.419>.38, okay

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines for requirements) Chapter 4.4 (A8-A11, G19) 5 5  
Yes = 5 No = 0 Needs Improvement = 1-4

- |    |  |                                      |                          |   |
|----|--|--------------------------------------|--------------------------|---|
| a. | Completion of Required OQ Training before conducting inspection as lead?                                     | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Root Cause Training by at least one inspector/program manager  | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Note any outside training completed  | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

C2. Yes.

- 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 (A5) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C3. Yes, Bobby has 28 years professional knowledge of the 49 CFR 190-194, & 199 regulations

- 4 Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 (A6-7) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C4. Yes. The letters were dated Jan 5th and Mar 2nd. Each Item was responded to

- 5 Did State hold PHMSA TQ Seminar in Past 3 Years? Chapter 8.5 (A3) 2 2  
Yes = 2 No = 0

Evaluator Notes:

C5. Yes, APSC hosted a TSI Seminar on June 20-21, 2007, 8/10-11/2010, and co-hosted with NM, MS, TX, AOGC, & LA on 7/25-29/11 in New Orleans

- 6 Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 (B3) 5 5  
Yes = 5 No = 0 Needs Improvement = 1-4

Evaluator Notes:

C6. Yes. There have been 18 OQ, 18 IM, 18 D&A, and all Standard Inspections are within the 3 calendar year time frames. The work is current

- |   |   |   |   |
|---|---|---|---|
| 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 (B4-5)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

C7. Yes. A spot check of inspections performed in 2011 showed the reports to be complete, detailed, and internally consistent.

- |   |  |   |   |
|---|--|---|---|
| 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 (B7)<br>Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

C8. Yes. This question is addressed on question 3 of APSC's addendum sheet

- |   |   |   |   |
|---|---|---|---|
| 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 (B8)<br>Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

C9. Yes. This question is addressed on question 4 of APSC's addendum sheet

- |    |  |   |   |
|----|--|---|---|
| 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 (B9)<br>Yes = 1 No = 0 | 1 | 1 |
|----|--|---|---|

Evaluator Notes:

C10. Yes. This question is addressed on question 5 of APSC's addendum sheet

- |    |   |   |   |
|----|---|---|---|
| 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 (B10,E5)<br>Yes = 1 No = 0 | 1 | 1 |
|----|---|---|---|

Evaluator Notes:

C11. Yes. This question is addressed on question 2 of APSC's addendum sheet

- |    |   |   |   |
|----|---|---|---|
| 12 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? Data Initiative (G6-9,G16)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----|---|---|---|

Evaluator Notes:

C12. 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. Miles of pipe, cast iron, bare steel, leak causes, & lost and unaccounted for gas are trended relative to prior years.

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.

- |    |  |   |   |
|----|--|---|---|
| 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 (G10-12)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----|--|---|---|

Evaluator Notes:

C13. Yes



- 
- |           |   |   |   |
|-----------|---|---|---|
| <b>14</b> | Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission? (G14)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|
- 

Evaluator Notes:

C14. Yes APSC noted the requirement and effective 7/22/09 added this requirement to the Standard Inspection Form Addendum Sheet

---

- |           |  |   |   |
|-----------|--|---|---|
| <b>15</b> | 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 (I1-3)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
- 

Evaluator Notes:

C15. Yes

---

- |           |  |   |   |
|-----------|--|---|---|
| <b>16</b> | 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 (I4-7)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
- 

Evaluator Notes:

C16. Yes

---

- |           |  |   |   |
|-----------|--|---|---|
| <b>17</b> | 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 (I8-12)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
- 

Evaluator Notes:

C17. Yes

---

- |           |   |           |           |
|-----------|---|-----------|-----------|
| <b>18</b> | 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<br>Info Only = No Points | Info Only | Info Only |
|-----------|---|-----------|-----------|
- 

Evaluator Notes:

C18. APSC performed its first DIMP on Arkansas Oklahoma Gas Co in February, 2012 with the Oklahoma Corp Commission

---

- |           |   |   |   |
|-----------|---|---|---|
| <b>19</b> | 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|
- 

Evaluator Notes:

C19. Yes. PAPEI were started in 2011. About 6 PAPEI are scheduled for 2012

---

- |           |   |   |   |
|-----------|---|---|---|
| <b>20</b> | 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). (G20-21)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|
- 

Evaluator Notes:

C20. Yes. 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. All Operators and the public have docket access. Currently the Public has rights to request and receive paper and electronic records. APSC started posting finalized Inspection results on their web sites on 7/12/11

---

21	Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (B6) Yes = 1 No = 0 Needs Improvement = .5	1	NA
----	--	---	----

Evaluator Notes:

C21. NA no SRCR in 2010 or 2011

---

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? (G13) Yes = 1 No = 0 Needs Improvement = .5	1	1
----	---	---	---

Evaluator Notes:

C22. 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 is negotiating to be a test site for PA-12 in 2012

---

23	Did the state participate in/respond to surveys or information requests from NAPSAR or PHMSA? (H4) Yes = 1 No = 0 Needs Improvement = .5	1	1
----	---	---	---

Evaluator Notes:

C23. Yes, APSC works with NAPSAR, T&Q, NTSB, & PHMSA, and responds to all surveys

---

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

Evaluator Notes:

C24. APSC was recognized 12/8/2011 by the Pipeline Safety Trust as being First among all state and federal agencies for providing the most and most easily available information concerning pipeline safety. APSC is also heavily involved in plastic pipe research including PA-11, PA-12, and a UV degradation study of PE pipe

---

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



## PART D - Compliance Activities

Points(MAX) Score

- 1 Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1 (B12-14, B16, B1h) 4 4  
Yes = 4 No = 0 Needs Improvement = 1-3
- a. Procedures to notify an operator (company officer) when a noncompliance is identified Yes ☒ No ☐ Needs Improvement ☐
- b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

D1. Yes. Dealing with NOPV & other findings are addressed in the Arkansas Pipeline Safety Operation and Inspection Plan under "XIV. Civil Sanctions and Enforcement Actions", and per the APSC Arkansas Gas Pipeline Code.

- 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 (B11,B18,B19) 4 4  
Yes = 4 No = 0 Needs Improvement = 1-3
- a. Were compliance actions sent to company officer or manager/board member if municipal/government system? Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

D2. 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, etc. Also, APSC sends notices to owners or Corporate officers.

- 3 Did the state issue compliance actions for all probable violations discovered? (B15) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

D3. Yes, 83 in 2011. Violations are found regularly during inspections and notices are sent out

- 4 Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary. (B17, B20) 2 2  
Yes = 2 No = 0

Evaluator Notes:

D4. Yes, Due Process for APSC 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. Show Cause Hearings are rarely needed. In 2011 there were two Show Cause Hearings that resulted in \$25,000 in total fines

- 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) (B27) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

D5. Yes, Mr. Henry is familiar with the Show Cause process, and APSC has issued several fines to Pipeline Operators. Also, he was successful in 2010 in shepherding a One-Call violation through a County District Attorney's Office for a \$500 civil penalty. Many additional One-Call violations have been reported to various County District Attorneys requesting civil penalty action

- 6 Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations? (new question) Info Only Info Only  
Info Only = No Points

Evaluator Notes:

D6. Yes. APSC uses civil penalties along with other enforcement tools to achieve pipeline safety

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

Evaluator Notes:

D7. APSC is a well-established commission with solid rules and processes for notification and enforcement of its regulations. APSC uses civil penalties along with other enforcement tools to achieve pipeline safety

---

Total points scored for this section: 14  
Total possible points for this section: 14



## PART E - Incident Investigations

Points(MAX) Score

- |          |   |   |   |
|----------|---|---|---|
| <b>1</b> | 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 (A2,D1-3)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2   | 2                                       |
| a.       | Acknowledgement of MOU between NTSB and PHMSA (Appendix D)  | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b.       | Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E)  | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

### Evaluator Notes:

E1. Yes. 'Appendix E ? Federal/State Cooperation in Case of an Incident/Accident' is being followed. The State has a good understanding of the MOU between NTSB and DOT (PHMSA).  
All incidents are investigated and a report is made. (one incident in '05, three in '09, and none since).

- |          |   |   |   |
|----------|---|---|---|
| <b>2</b> | 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 (D4)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

### Evaluator Notes:

E2. Yes, telephonic contact, but it is the practice of PSC to visit every federally reportable incident.

- |          |  |   |   |
|----------|--|---|---|
| <b>3</b> | Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? (D5)<br>Yes = 3 No = 0 Needs Improvement = 1-2 | 3   | 3                                       |
| 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 when appropriate  | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

### Evaluator Notes:

E3. Yes for 2011 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.

- |          |  |   |   |
|----------|--|---|---|
| <b>4</b> | Did the state initiate compliance action for violations found during any incident/accident investigation? (D6)<br>Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

### Evaluator Notes:

E4. Yes, in 2009 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 until the fine was paid and the case was closed.

- |          |  |   |    |
|----------|--|---|----|
| <b>5</b> | 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 (D7)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

### Evaluator Notes:

E5. NA, there were no Federal follow up actions in '10. All historical intrastate incidents have been closed.

- |          |   |   |   |
|----------|---|---|---|
| <b>6</b> | Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPS Region meetings, state seminars, etc) (G15)<br>Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

### Evaluator Notes:

E6. Yes, APSC makes a report during the SW Region NAPS Region Meeting, and responds as appropriate to email correspondence. There were 0 significant incidents in 2010 or 2011.

---

7 General Comments:  
Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

E7. It is the policy of APSC to take all incidents seriously and to perform on-site investigations of significant incidents. All enforcement tools including civil penalties are used to enforce the regulations and achieve pipeline safety.

---

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



## 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 (E1)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

F1. Yes, APSC specifically addresses this subject on its inspection addendum sheet. 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? (E2)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

F2. Yes, it is in the Std Insp Form, under Damage Prevention

- |   |   |   |   |
|---|---|---|---|
| 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.) (E3)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

F3. Yes. APSC has a One-Call link on its web site. It is addressed in the T&Q 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 shepherding a One-Call violation through a County District Attorney's Office for a \$500 civil penalty. Additional attempts are 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? (This can include DIRT and other data shared and reviewed by the pipeline safety program) (E4,G5)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

F4. Yes. ARKUPS, the pipe locating service of AR One-Call tracks the number of damages per 1000 locates. It was 9.2/1000 in 2009, 8.0/1000 in 2010, and 9.4/1000 in 2011. Having # calls and # damages in AR, APSC will then 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.

- |   |  |           |           |
|---|--|-----------|-----------|
| 5 | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|

Evaluator Notes:

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

## PART G - Field Inspections

Points(MAX) Score

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

Name of Operator Inspected:

Centerpoint Energy Arkansas Gas, subsidiary of Reliant Energy, opid 603

Name of State Inspector(s) Observed:

Spencer Merrell, APSC Pipeline Safety Specialist

Location of Inspection:

Batesville, AR

Date of Inspection:

05/08/2012

Name of PHMSA Representative:

Patrick Gaume, State Liaison

Evaluator Notes:

G1. Centerpoint Energy Arkansas Gas, subsidiary of Reliant Energy, opid 603, Spencer Merrell, APSC Pipeline Safety Specialist, Batesville, AR, 5/8/12, Standard Inspection- Field portion - regulator station checks. Patrick Gaume

- 2 Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (F2) 1 1  
Yes = 1 No = 0

Evaluator Notes:

G2. Yes. 5 centerpoint personnel participated in the inspection

- 3 Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) (F3) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

G3. Yes. Fed Form 2, rev 3/17/2011 plus an addendum sheet

- 4 Did the inspector thoroughly document results of the inspection? (F4) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

G4. Yes. His field notes were detailed

- 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.) (F5) 1 1  
Yes = 1 No = 0

Evaluator Notes:

G5. Yes, hand tools, keys, connections, test valves, pressure gauges, high pressure hoses, & soap spray. A full spectrum of other equipment was also available

- 6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) (F7) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

a. Procedures ☐

b. Records ☐

c. Field Activities ☒

d. Other (please comment) ☐

Evaluator Notes:

G6. Yes. This day's inspection was 100% Field inspection of regulator stations



- |   |  |   |   |
|---|--|---|---|
| 7 | Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) (F8)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

G7. Yes. Mr. Spencer Merrell demonstrated a thorough knowledge of the activities I observed

- |   |  |   |   |
|---|--|---|---|
| 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) (F9)<br>Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

G8. Yes, He conducted an end-of-day tailgate interview: Problems noted were for two small leaks at odorant pots that could not be repaired immediately. Repair teams were in route

- |   |   |   |   |
|---|---|---|---|
| 9 | During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable) (F10)<br>Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

G9. Yes, He conducted an end-of-day tailgate interview: Problems noted were for two small leaks at odorant pots that could not be repaired immediately. Repair teams were in route

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

- |    |                                   |                                     |
|----|-----------------------------------|-------------------------------------|
| a. | Abandonment                       | <input type="checkbox"/>            |
| b. | Abnormal Operations               | <input checked="" type="checkbox"/> |
| c. | Break-Out Tanks                   | <input type="checkbox"/>            |
| d. | Compressor or Pump Stations       | <input type="checkbox"/>            |
| e. | Change in Class Location          | <input type="checkbox"/>            |
| f. | Casings                           | <input type="checkbox"/>            |
| g. | Cathodic Protection               | <input type="checkbox"/>            |
| h. | Cast-iron Replacement             | <input type="checkbox"/>            |
| i. | Damage Prevention                 | <input checked="" type="checkbox"/> |
| j. | Deactivation                      | <input type="checkbox"/>            |
| k. | Emergency Procedures              | <input type="checkbox"/>            |
| l. | Inspection of Right-of-Way        | <input checked="" type="checkbox"/> |
| m. | Line Markers                      | <input checked="" type="checkbox"/> |
| n. | Liaison with Public Officials     | <input type="checkbox"/>            |
| o. | Leak Surveys                      | <input type="checkbox"/>            |
| p. | MOP                               | <input type="checkbox"/>            |
| q. | MAOP                              | <input checked="" type="checkbox"/> |
| r. | Moving Pipe                       | <input type="checkbox"/>            |
| s. | New Construction                  | <input type="checkbox"/>            |
| t. | Navigable Waterway Crossings      | <input type="checkbox"/>            |
| u. | Odorization                       | <input type="checkbox"/>            |
| v. | Overpressure Safety Devices       | <input checked="" type="checkbox"/> |
| w. | Plastic Pipe Installation         | <input type="checkbox"/>            |
| x. | Public Education                  | <input type="checkbox"/>            |
| y. | Purging                           | <input type="checkbox"/>            |
| z. | Prevention of Accidental Ignition | <input checked="" type="checkbox"/> |
| A. | Repairs                           | <input checked="" type="checkbox"/> |
| B. | Signs                             | <input checked="" type="checkbox"/> |
| C. | Tapping                           | <input type="checkbox"/>            |

- |    |                             |                                     |
|----|-----------------------------|-------------------------------------|
| D. | Valve Maintenance           | <input checked="" type="checkbox"/> |
| E. | Vault Maintenance           | <input type="checkbox"/>            |
| F. | Welding                     | <input type="checkbox"/>            |
| G. | OQ - Operator Qualification | <input type="checkbox"/>            |
| H. | Compliance Follow-up        | <input type="checkbox"/>            |
| I. | Atmospheric Corrosion       | <input checked="" type="checkbox"/> |
| J. | Other                       | <input type="checkbox"/>            |

Evaluator Notes:

G10. Signs, markers, fencing, site security, locks, atmospheric corrosion, site cleanliness, safety barriers, vent covers & operation, valves, valve actuation, operating pressures, verified regulator operation and settings, actuated pressure reliefs and settings, leak checks, tightening of connections, marking of minor leaks, ROW, exposed main, flanges and threads

---

Total points scored for this section: 12  
Total possible points for this section: 12



**PART H - Interstate Agent State (If Applicable)****Points(MAX)    Score**

- |          |   |   |    |
|----------|---|---|----|
| <b>1</b> | Did the state use the current federal inspection form(s)? (C1)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:  
NA-not an interstate agent.

- |          |  |   |    |
|----------|--|---|----|
| <b>2</b> | Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? (C2)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:  
NA-not an interstate agent.

- |          |   |   |    |
|----------|---|---|----|
| <b>3</b> | Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? (C3)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:  
NA-not an interstate agent.

- |          |  |   |    |
|----------|--|---|----|
| <b>4</b> | 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.) (C4)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:  
NA-not an interstate agent.

- |          |  |   |    |
|----------|--|---|----|
| <b>5</b> | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (C5)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:  
NA-not an interstate agent.

- |          |   |   |    |
|----------|---|---|----|
| <b>6</b> | Did the state give written notice to PHMSA within 60 days of all probable violations found? (C6)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:  
NA-not an interstate agent.

- |          |  |   |    |
|----------|--|---|----|
| <b>7</b> | Did the state initially submit documentation to support compliance action by PHMSA on probable violations? (C7)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:  
NA-not an interstate agent.

- |          |  |           |           |
|----------|--|-----------|-----------|
| <b>8</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:  
NA-not an interstate agent.

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

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

- |          |  |   |    |
|----------|--|---|----|
| <b>1</b> | Did the state use the current federal inspection form(s)? (B21)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA-is a 60105 State Partner.

- |          |  |   |    |
|----------|--|---|----|
| <b>2</b> | Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan? (B22)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA-is a 60105 State Partner.

- |          |   |   |    |
|----------|---|---|----|
| <b>3</b> | 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.) (B23)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NA-is a 60105 State Partner.

- |          |   |   |    |
|----------|---|---|----|
| <b>4</b> | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (B24)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NA-is a 60105 State Partner.

- |          |  |   |    |
|----------|--|---|----|
| <b>5</b> | Did the state give written notice to PHMSA within 60 days of all probable violations found? (B25)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA-is a 60105 State Partner.

- |          |  |   |    |
|----------|--|---|----|
| <b>6</b> | Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? (B26)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA-is a 60105 State Partner.

- |          |  |           |           |
|----------|--|-----------|-----------|
| <b>7</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:

NA-is a 60105 State Partner.

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