



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

1200 New Jersey Avenue SE  
Washington DC 20590

# 2013 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)

2013 Natural Gas State Program Evaluation -- CY 2013  
Natural Gas

**State Agency:** Arkansas

**Agency Status:**

**Date of Visit:** 08/11/2014 - 08/19/2014

**Agency Representative:** Bobby Henry, Chief, Pipeline Safety

**PHMSA Representative:** Don Martin

**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 72201

**Rating:**

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

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**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 2013 (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.

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**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.

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**Scoring Summary**

PARTS		Possible Points	Points Scored
A	Progress Report and Program Documentation Review	10	10
B	Program Inspection Procedures	15	15
C	Program Performance	46	46
D	Compliance Activities	15	15
E	Incident Investigations	3	3
F	Damage Prevention	8	8
G	Field Inspections	12	12
H	Interstate Agent State (If Applicable)	0	0
I	60106 Agreement State (If Applicable)	0	0
<b>TOTALS</b>		<b>109</b>	<b>109</b>
<b>State Rating .....</b>			<b>100.0</b>

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## 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 | 1 |
|----------|---|---|---|

**Evaluator Notes:**

The information in the APSC's electronic system supported the numbers of operators and units in Attachment 1. Unit totals matched Attachment 3 totals. No issues were identified for authority or operator/inspection information.

- |          |  |   |   |
|----------|--|---|---|
| <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:**

The spreadsheet that logs inspection information during the calendar year was reviewed against the data input into Attachment 2. No issues or errors were identified.

- |          |  |   |   |
|----------|--|---|---|
| <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:**

No errors were found when comparing Attachment 3 information to the APSC's records. The APSC maintains an electronic database on operators and inspection data.

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|----------|--|---|---|
| <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:**

There no incidents listed on Attachment 4. The Pipeline Data Mart did not list any incidents also. There were none to report on Attachment 4.

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

**Evaluator Notes:**

Attachment 5 of the Progress Report shows that 134 probable violations (PV's) were uncorrected as of December 31, 2013. The sum of carryover (118) and PV's found during 2013 (348) minus the number of PV's corrected during 2013 (331) should result in 135 PV's to be uncorrected as of December 31, 2013. An inspection report was closed with a correction to PV in progress. The database should have accounted for one less carryover which would provide a carryover total of 117. The progress report was revised after submittal to reflect 117.

- |          |   |   |   |
|----------|---|---|---|
| <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:**

Most of the APSC's files are electronic. In fact, inspection reports can be viewed by all stakeholders on the APSC's website. The APSC is in temporary quarters while the existing building is remodeled. Even so, no issues were identified with the organization of files.

- |          |  |   |   |
|----------|--|---|---|
| <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:**

The employee listing was accurate. Training was downloaded from PHMSA TnQ's SABA database.

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|----------|--|---|---|
| <b>8</b> | Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h) | 1 | 1 |
|----------|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

No issues were identified with Attachment 8 information.

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- |          |  |   |   |
|----------|--|---|---|
| <b>9</b> | List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 (H1-3) | 1 | 1 |
|----------|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The APSC was very thorough in its narrative of Attachment 10. No issues.

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

Evaluator Notes:

The APSC has generally complied with the requirements of Part A of this evaluation.

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Total points scored for this section: 10  
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:

Procedures for Standard Inspections for each operator type are contained in the Arkansas Pipeline Safety Operation and Inspection Plan. Risk analysis results can cause inspections to be planned more frequently. However procedures state minimum of once every five years.

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

Evaluator Notes:

Risk model indicates inspection frequency; however procedures state minimum of once every five years.

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

Evaluator Notes:

Risk model indicates inspection frequency; however procedures state minimum of once every five years.

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

Evaluator Notes:

Risk model indicates inspection frequency; however procedures state minimum of once every five years.

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

Evaluator Notes:

On site operator training is scheduled as needed based upon changes in operator personnel.

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

Evaluator Notes:

Construction inspections are stated in the procedures to be scheduled as construction projects are started.

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

Evaluator Notes:

All incidents meeting federal reporting requirements are investigated as they occur. The APSC follows the procedures for Federal/State cooperation in case of an incident.

- |          |   |   |   |
|----------|---|---|---|
| <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 ☒ No ☐ Needs Improvement ☐

f. Are inspection units broken down appropriately?

Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Criteria a. thru e. above are described in the APSC's inspection procedures. The length of time since the last inspection is used to place a maximum limit between inspections. A detailed risk analysis spreadsheet is also used to adjust frequencies between the maximum intervals. Inspection units appear to broken down appropriately.

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9 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

The APSC has generally complied with the requirements of Part B of this evaluation.

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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):  
724.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
220 X 6.03 = 1326.23

Ratio: A / B  
724.00 / 1326.23 = 0.55

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

**Evaluator Notes:**

The APSC's ratio of 0.55 exceeded the minimum of 0.38. No issues.

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

**Evaluator Notes:**

At this time all of the employees listed on Attachment 7 are meeting the timeframes for completing the core classes. No inspections were identified where a lead inspector had not completed the required training.

- 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:**

No issues were found with the Program Manager's knowledge of PHMSA Pipeline Safety Program or regulations. The Program Manager has approximately 30 years of experience in pipeline safety and a program manager for over three years..

- 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:**

The APSC met the 60 day requirement for responding.

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

**Evaluator Notes:**

The last TQ seminar held in Arkansas was July, 2013. The APSC also attended the Louisiana TQ seminar 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:**

The APSC inspected more operators and units than required in its procedures. No issues were identified.

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) Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:

The APSC utilizes the federal inspection forms in its inspections. The APSC also includes an Addendum sheet to cover items not listed in the federal forms.

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) Yes = 1 No = 0	1	1
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Evaluator Notes:

This issue is covered on question 3 of the inspection form's addendum. Only one operator has cast iron remaining in its system. There will be app. 70 miles remaining at the end of 2014.

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) Yes = 1 No = 0	1	1
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Evaluator Notes:

This issue is covered on question 4 of the inspection form's addendum.

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) Yes = 1 No = 0	1	1
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Evaluator Notes:

This issue is covered on question 5 of the inspection form's addendum.

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) Yes = 1 No = 0	1	1
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Evaluator Notes:

This issue is covered on question 2 of the Inspection Form Addendum.

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) Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:

The APSC reviews current annual reports against prior year reports and contacts the Operators when there are questions over the data. Data such as Miles of pipe, cast iron, bare steel, leak causes, & lost and unaccounted for gas are trended relative to prior years. The information is also analyzed to help assess the effectiveness of operator's Damage Prevention Plans. The information is posted in the Pipeline Safety section of the Commission's web site. Incident reports are reviewed for timeliness, completeness, probable cause, and completion of final report.

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) Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:

The OQ and IM databases do not show any entries post CY2012. Upon a review of the APSC's Progress Reports for



CY2012 and CY2013 the lack of entries after CY2012 is consistent with the activities on Attachment 2. However, OQ Protocol 9 inspection person days are included in the Standard Inspection column of Attachment 2. The APSC is currently loading the Protocol 9 results into the database. There is confusion presently on the uploading of the Protocol 9 forms for states that have been utilizing the IA version of the OQ field inspection form.

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- |   |   |   |
|---|---|---|
| <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 |
|---|---|---|
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Evaluator Notes:

The Addendum page of the inspection form covers the submittal of information to the NPMS. The APSC has reviewed the NPMS and has not identified any information that was omitted by transmission operators in Arkansas.

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|--|---|---|
| <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 |
|--|---|---|
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Evaluator Notes:

Yes. This question is included on the addendum of the APSC's standard distribution and transmission inspection form.

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|--|---|---|
| <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 |
|--|---|---|
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Evaluator Notes:

The APSC is meeting the frequency requirements written into its procedures.

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|--|---|---|
| <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 O (I8-12)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|--|---|---|
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Evaluator Notes:

The APSC is meeting the frequency requirements written into its procedures.

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|---|---|---|
| <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>DIMP ? First round of program inspections should be complete by December 2014<br><br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|
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Evaluator Notes:

The APSC has conducted DIMP inspections for some time and is on schedule to complete the first round by December 31, 2014.

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|--|---|---|
| <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>PAPEI Effectiveness Inspections should be complete by December 2013<br><br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|--|---|---|
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Evaluator Notes:

The APSC completed all Public Awareness Program Effectiveness Inspections prior to December 31, 2013.

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- |           |   |   |   |
|-----------|---|---|---|
| <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:

The APSC has a Pipeline Safety section on its website. The APSC uses the website to communicate important notifications for operators and information for all stakeholders. The website also contains copies of all inspection reports that be accessed by all stakeholders including the general public.

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

Evaluator Notes:

Two events did not make the five day period. Corrective action was taken place prior to five day period expiration.

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|-----------|---|---|---|
| <b>22</b> | 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)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

The APSC has had written communications addressed to operators and has also verbally communicated about the importance of identifying plastic pipe and participating in AGA's plastic pipe database project.

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

Evaluator Notes:

Bobby Henry is Chair of NAPSRS's Southwest Region, EFV committee, Meaningful Metrics, and a member of the New Inspector Training and Development Task Group.

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|-----------|--|-----------|-----------|
| <b>24</b> | If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate.<br>Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

The APSC has six special permits listed on PHMSA's web site. The APSC will evaluate the status of the special permits. If no longer valid the APSC will conduct a process to invalidate the special permits and communicate the information to PHMSA.

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|-----------|--|-----------|-----------|
| <b>25</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

The APSC has generally complied with the requirements of Part C of this evaluation.

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

**PART D - Compliance Activities****Points(MAX) Score**

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|----------|---|---|---|
| <b>1</b> | 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)<br>Yes = 4 No = 0 Needs Improvement = 1-3 | 4   | 4                                       |
| a.       | Procedures to notify an operator (company officer) when a noncompliance is identified   | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b.       | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns   | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

**Evaluator Notes:**

The APSC notifies an officer of a private company and the appropriate official of a non private operator. Notifications to all other operator types seem appropriate. The APSC keeps a suspense file that tracks the response requirements from compliance notifications sent to operators. Follow ups

- |          |  |   |   |
|----------|--|---|---|
| <b>2</b> | 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)<br>Yes = 4 No = 0 Needs Improvement = 1-3 | 4   | 4                                       |
| a.       | Were compliance actions sent to company officer or manager/board member if municipal/government system?  | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b.       | Were probable violations documented?   | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c.       | Were probable violations resolved?   | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d.       | Was the progress of probable violations routinely reviewed?  | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

**Evaluator Notes:**

Upon a review of randomly selected inspection reports completed in CY2013, proper notifications were provided to the operators, all inspection forms were completed and probable violations documented. Reports were closed upon the proper response from operators. No instances were found where the APSC did not follow up on probable violations.

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

**Evaluator Notes:**

Upon a review of randomly selected inspection reports completed during CY2013, written compliance notifications were sent for all probable violations noted on inspection forms.

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

**Evaluator Notes:**

The APSC provides 60 days for operators to respond to compliance notifications. The operators are allowed to provide information that disputes the allegations or provide information that verifies corrective action has taken place. Operators are given to opportunity to request a commission hearing if issues can't be resolved.

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

**Evaluator Notes:**

The program manager stated the considerations for seeking civil penalties. The two key considerations are the severity of the probable violations (and their results such as injury or fatality) and whether or not the probable violation was repeated after a previous compliance action involving the same probable violation.

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

**Evaluator Notes:**

The APSC has used its fining authority in the past. Penalties were not sought during CY2013. The APSC did complete a show cause hearing in CY2014 in which an operator was assessed \$1000 per day until corrective action is completed.

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**7 General Comments:**

Info OnlyInfo Only

Info Only = No Points

**Evaluator Notes:**

The APSC has generally complied with the requirements of Part D of this evaluation.

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

## 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:**

The program manager stated his understanding of the MOU between the NTSB and PHMSA. His understanding is consistent with the language contained in the MOU. He also understands the cooperation between PHMSA and a state program in investigating incidents as outlined in the appendices of the Guidelines.

- |          |   |   |    |
|----------|---|---|----|
| <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 | NA |
|----------|---|---|----|

**Evaluator Notes:**

There were no incidents meeting federal reporting requirements during CY2013.

- |          |  |   |   |
|----------|--|---|---|
| <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   | NA                                      |
| 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:**

There were no incidents meeting federal reporting requirements during CY2013.

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

**Evaluator Notes:**

There were no incidents meeting federal reporting requirements during CY2013.

- |          |  |   |    |
|----------|--|---|----|
| <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:**

There were no incidents meeting federal reporting requirements during CY2013.

- |          |   |   |   |
|----------|---|---|---|
| <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:**

There were no incidents meeting federal reporting requirements during 2013. The APSC shared incidents meeting state reporting requirements at the NAPS Region Southwest Region in 2013.

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

Evaluator Notes:

The APSC complied with the requirements of Part E of this evaluation.

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

## 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:

The APSC addresses the risk of trenchless excavation with operators when covering the items in its inspection form addendum.

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

The APSC added this item to the Addendum of the standard inspection. Inspectors cover the items while conducting the inspection. The completed inspection forms are provided to the operator.

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

The APSC added this item to the Addendum of the standard inspection. Inspectors cover the items while conducting the inspection. The completed inspection forms are provided to the operator.

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

The APSC has collected data on damages and created trend charts of the data. The information is posted on the Commission's web site.

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

Evaluator Notes:

The APSC has complied with the requirements of Part F of this evaluation.

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

## PART G - Field Inspections

Points(MAX) Score

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

Name of Operator Inspected:  
Source Gas Arkansas - Northwest Region  
Name of State Inspector(s) Observed:  
Keith Price - Lead and Jerry Harris  
Location of Inspection:  
Fayetteville, AR  
Date of Inspection:  
August 11 - 13, 2014  
Name of PHMSA Representative:  
Don Martin

Evaluator Notes:

The APSC began a Standard Inspection during the observation visit. The inspection included transmission and distribution - two separate units. The inspection is scheduled to last four to five weeks.

- 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:

Randy Drake, Compliance Representative, was notified June 23, 2014. He was present during the inspection.

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

Evaluator Notes:

The APSC utilized the federal form, IA version, for distribution and transmission.

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

Evaluator Notes:

The inspection form was forwarded to the evaluator following the completion of the inspection. Upon a review of the completed form documentation was appropriate.

- 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:

The inspectors verified the equipment utilized by the operator to test overpressure protection facilities.

- 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             | <input checked="" type="checkbox"/> |
| b. Records                | <input checked="" type="checkbox"/> |
| c. Field Activities       | <input checked="" type="checkbox"/> |
| d. Other (please comment) | <input type="checkbox"/>            |

Evaluator Notes:

The Standard Inspection included procedures review, records and observation of tests and maintenance tasks in the field.



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

Keith has completed all of the required "core classes" for Part 192. He has been conducting inspections for over two years. He also had twenty years of experience in natural gas pipeline operations. No issues were found with Keith's knowledge of regulations.

- |   |  |   |   |
|---|--|---|---|
| 8 | Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) (F9)<br>Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

The inspection was not complete at the time of the evaluation observation. The material reviewed in office records and the testing of overpressure facilities was covered during the evaluation observation.

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

No probable violations were discovered during the evaluation observation that would be included in the final report. This was communicated to the operator.

- |    |  |           |           |
|----|--|-----------|-----------|
| 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 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 type="checkbox"/>            |  |
| A. | Repairs                           | <input type="checkbox"/>            |  |
| B. | Signs                             | <input checked="" type="checkbox"/> |  |

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

Evaluator Notes:

The evaluation observation covered two days of an inspection that was scheduled to last over four weeks. The items marked above were covered during the evaluation observation. The completed inspection will cover much more. The APSC generally complied with the requirements of Part G of this evaluation.

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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:

The APSC is 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:

The APSC is 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:

The APSC is 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:

The APSC is 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:

The APSC is 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:

The APSC is 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:

The APSC is not an interstate agent.

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

Evaluator Notes:

The APSC is not an interstate agent.

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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:

The APSC does not have a 60106(a) agreement with PHMSA.

- |          |  |   |    |
|----------|--|---|----|
| <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:

The APSC does not have a 60106(a) agreement with PHMSA.

- |          |   |   |    |
|----------|---|---|----|
| <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:

The APSC does not have a 60106(a) agreement with PHMSA.

- |          |   |   |    |
|----------|---|---|----|
| <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:

The APSC does not have a 60106(a) agreement with PHMSA.

- |          |  |   |    |
|----------|--|---|----|
| <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:

The APSC does not have a 60106(a) agreement with PHMSA.

- |          |  |   |    |
|----------|--|---|----|
| <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:

The APSC does not have a 60106(a) agreement with PHMSA.

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

Evaluator Notes:

The APSC does not have a 60106(a) agreement with PHMSA.

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