

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

2016 Gas State Program Evaluation

for

ARKANSAS OIL AND GAS 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)



2016 Gas State Program Evaluation -- CY 2016

Gas

State Agency: Arkansas

Rating:

Agency Status:

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

Date of Visit: 10/16/2017 - 10/18/2017

Agency Representative: Gary Looney, Assistant Director
Michael Gray, Program Manager/Inspector

PHMSA Representative: Don Martin

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

Name/Title: W. Frank Morledge, Chairman
Agency: Arkansas Oil and Gas Commission (AOGC)
Address: P.O. Box 912
City/State/Zip: Forrest City, Arkansas 72335

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 2016 (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

		Possible Points	Points Scored
PARTS			
A	Progress Report and Program Documentation Review	10	10
B	Program Inspection Procedures	13	13
C	Program Performance	41	41
D	Compliance Activities	15	15
E	Incident Investigations	4	4
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
TOTALS		103	103
State Rating		100.0

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

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

Evaluator Notes:

All operator and units information was confirmed from a review of office records. No issues were identified.

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

Evaluator Notes:

The AOGC's inspection person days records were reviewed. The 30 inspection person days were verified.

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

Evaluator Notes:

Total units by operator type in Attachment 1 matched total units by operator type in Attachment 3. No accuracy issues were identified.

- | | | | |
|----------|--|---|---|
| 4 | Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

No operators reported any incidents during 2016. A review of the Pipeline Datamart showed the same information.

- | | | | |
|----------|--|---|---|
| 5 | Accuracy verification of Compliance Activities - Progress Report Attachment 5
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

Probable violations entries in Attachment 5 matched records. Compliance actions were supported by a review of inspection files.

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|----------|---|---|---|
| 6 | Were pipeline program files well-organized and accessible? - Progress Report Attachment 6
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

File organization was found to be satisfactory.

- | | | | |
|----------|--|---|---|
| 7 | Was employee listing and completed training accurate and complete? - Progress Report Attachment 7
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

Employee listing was correct. Training information was entered from PHMSA's Training and Qualifications Division database.

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

Evaluator Notes:

All rules and amendments are up to date.



9 List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Progress Report Attachment 10 was satisfactory.

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

Evaluator Notes:

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

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



PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|---|--|---|---|
| 1 | Standard Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 2 | 2 |
|---|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

AOGC Pipeline Inspection Manual, Section VI and states standard inspections of all inspection units will be completed once every three years. VIII. describes what should be covered in a Standard Inspection. Pre-inspection activities, inspection activities, post-inspection activities are included.

- | | | | |
|---|--|---|---|
| 2 | IMP and DIMP Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The AOGC does not have any distribution operators. Section V covers transmission IMP inspections. No issues identified.

- | | | | |
|---|--|---|---|
| 3 | OQ Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section XI covers OQ inspections. No issues identified.

- | | | | |
|---|---|---|---|
| 4 | Damage Prevention Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section XIII covers these inspections. No issues identified.

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|---|--|---|---|
| 5 | Any operator training conducted should be outlined and appropriately documented as needed. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section X covers this activity. No issues identified.

- | | | | |
|---|--|---|---|
| 6 | Construction Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section IX covers Construction Inspections. No issues identified.

- | | | | |
|---|---|---|---|
| 7 | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? | 6 | 6 |
|---|---|---|---|

Yes = 6 No = 0 Needs Improvement = 1-5

- a. Length of time since last inspection (Within five year interval) Yes No Needs Improvement



- b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) Yes No Needs Improvement
- c. Type of activity being undertaken by operators (i.e. construction) Yes No Needs Improvement
- d. Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc) Yes No Needs Improvement
- 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:

Items a. through d. are considered in the AOGC's frequency of inspections. The AOGC has developed a spreadsheet which estimates the relative risk of all operators. At this time the results of this assessment has not identified any inspection units that should be inspected differently from the AOGC's present schedule of once each three years. Each operator receives an inspection of at least one of its units each year. Units appear to be broken down appropriately.

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

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

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



PART C - Program Performance

Points(MAX) Score

- 1** Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 5 5
 Yes = 5 No = 0
 A. Total Inspection Person Days (Attachment 2):
 30.00
 B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 220 X 0.40 = 88.00
 Ratio: A / B
 30.00 / 88.00 = 0.34
 If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
 Points = 0

Evaluator Notes:

The AOGC achieved 30 inspection person days in 2016 resulting in a ratio of 0.34. Requirement met.

- 2** Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 5 5
 Yes = 5 No = 0 Needs Improvement = 1-4
- a. Completion of Required OQ Training before conducting inspection as lead? Yes No Needs Improvement
 - b. Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 Yes No Needs Improvement
 - c. Root Cause Training by at least one inspector/program manager Yes No Needs Improvement
 - d. Note any outside training completed Yes No Needs Improvement
 - e. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. Yes No Needs Improvement

Evaluator Notes:

Training requirements have been met by inspector and program manager.

- 3** Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

No issues were identified with the program manager's knowledge of regulations or PHMSA's pipeline safety program.

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

Evaluator Notes:

A response was not required in the CY2015 Chairman Letter.

- 5** Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5 1 1
 Yes = 1 No = 0

Evaluator Notes:

The last seminar was July 20 and 21 of 2016. The previous seminar in 2013. The next seminar will need to be conducted in 2019.

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

Evaluator Notes:



The AOGC is on schedule to complete the inspection frequency, once every three years, that is stated in its procedures.

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

The AOGC utilizes PHMSA's Form 1 - Standard Inspection of Transmission Operators. It also uses the Word version of PHMSA forms. No issues identified.

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

No cast iron pipe exists in operator facilities under the oversight of the AOGC.

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

No cast iron pipe exists in operator facilities under the oversight of the AOGC.

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

The AOGC has added this inspection element on the Addendum page attached to PHMSA's form. No leaks have occurred on operators' systems.

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

The AOGC uses PHMSA Form 1 for Standard Inspections. This requirement is covered on Form 1. No issues identified.

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

The AOGC reviews the Annual Reports submitted by the 12 operators under its jurisdiction. The reports are reviewed for accuracy. Any discrepancies are communicated to operators for verification of the info. The annual report is reviewed prior to each inspection.

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

Upon a review of the databases, no inspections were found to be uploaded in a timeframe was not acceptable.

14	Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission? Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

The AOGC uses PHMSA Form 1. Form 1 covers this question. No issues identified.

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

The AOGC conducted five drug and alcohol plan inspections in 2016.

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

The AOGC conducted 3 OQ inspections in 2016.

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

IMP were not conducted in 2016. No operators have HCA's. The AOGC began Protocol A re-inspections in 2017.

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

The AOGC does not have any distribution operators under its jurisdiction.

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

Four were conducted in 2016?

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

The AOGC maintains a web site that provides opportunity to view information when posted. The AOGC now posts inspections on the website.

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

Evaluator Notes:

There were no SRC's reported in 2016.

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

Evaluator Notes:

Yes, this issue is covered during Standard Inspections.

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

Evaluator Notes:

There were no instances identified where the AOGC did not respond.

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

Evaluator Notes:

The AOGC has not issued any special permits.

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

Evaluator Notes:

Gary Looney attended the meeting in Indianapolis, IN during 2016.

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

- a. Discussion of Potential Accelerated Actions (AA's) based on any negative trends Yes No Needs Improvement
- b. NTSB P-11-20 Meaningful Metrics Yes No Needs Improvement

Evaluator Notes:

All metrics are acceptable.

27 Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool. (No points)
Info Only = No Points

Evaluator Notes:

The new calculation fits more properly with the AOGC's inspection requirements. The inspection day results resulted in 27 days.

28 Did the State verify Operators took appropriate action regarding Pipeline Flow Reversals, Product Changes and Conversions to Service? See ADP-2014-04 (No Points)
Info Only = No Points

Evaluator Notes:

No operators had any flow reversals, product changes or conversion of service.

29 General Comments:

Info Only|Info Only

Info Only = No Points

Evaluator Notes:

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

Total points scored for this section: 41
Total possible points for this section: 41



PART D - Compliance Activities

Points(MAX) Score

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

Evaluator Notes:

The procedures are contained in the "ARKANSAS OIL AND GAS COMMISSION INSPECTION PROGRAM GUIDELINES FOR PIPELINE SAFETY PROGRAM INSPECTORS". Section XV covers non-compliance and includes the requirement to notify an officer of the operator's company when non-compliance is identified. Section XVI contains steps to review the progress of operator's corrective action.

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|----------|--|--------------------------------------|--|
| 2 | Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Were compliance actions sent to company officer or manager/board member if municipal/government system? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Document probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Resolve probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| d. | Routinely review progress of probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| e. | Were applicable civil penalties outlined in correspondence with operator(s) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Upon a review of randomly selected inspection reports, there were no issues identified with following through with compliance procedures.

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

Evaluator Notes:

Upon a review of randomly selected inspection reports, there no instances where a non-compliance letter was not sent when probable violations were identified.

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

Evaluator Notes:

Upon a review of randomly selected inspection reports, there were no instances where an operator was not given due process. Commission rules allow an operator to petition for a show cause hearing if it feels it has not received due process.

- | | | | |
|----------|---|---|---|
| 5 | Is the program manager familiar with state process for imposing civil penalties? Were civil penalties considered for repeat violations (with severity consideration) or violations resulting in incidents/accidents? (describe any actions taken)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

Yes, the program manager stated the criteria considered when issuing a civil penalty. The criteria included repeat violations and those resulting in incidents or those of a more significant nature.

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

Evaluator Notes:

The AOGC issued civil penalties totaling \$66,000 during 2016. The AOGC did not find any non-compliance issues in CY2015 that warranted civil penalties. The AOGC issued and collected a \$6000 civil penalty in 2014. It has issued civil penalties in prior years also.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

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

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



PART E - Incident Investigations

Points(MAX) Score

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

Evaluator Notes:

The AOGC has a 24 hour answering service to distribute calls to an individual on call. The operators have been given this number. The AOGC's procedures states that an investigation will be conducted on site for all federally reportable incidents.

- 2 Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 2 2
Yes = 2 No = 0 Needs Improvement = 1

- a. Acknowledgement of MOU between NTSB and PHMSA (Appendix D) Yes No Needs Improvement
b. Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) Yes No Needs Improvement

Evaluator Notes:

The AOGC program manager understands the MOU and the acknowledgement of cooperation with PHMSA. It is stated in the AOGC's procedures.

- 3 If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

There were no incidents reported by operators regulated by the AOGC during calendar year 2016.

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

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

Evaluator Notes:

There were no incidents reported by operators regulated by the AOGC during calendar year 2015.

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

Evaluator Notes:

There were no incidents reported by operators regulated by the AOGC during calendar year 2016.

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

Evaluator Notes:

There were no incidents reported by operators regulated by the AOGC during calendar year 2016.

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

Evaluator Notes:

There were no incidents reported by operators regulated by the AOGC during calendar years 2015 or 2016. Therefore, no lessons learned to be shared.

8 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

There were no incidents reported by operators regulated by the AOGC during calendar year 2016. The AOGC has generally complied with the applicable requirements of Part E of this evaluation.

Total points scored for this section: 4
Total possible points for this section: 4



PART F - Damage Prevention

Points(MAX) Score

- | | | | |
|----------|--|---|---|
| 1 | Has the state reviewed directional drilling/boring procedures of each pipeline operator or its contractor to determine if they include actions to protect their facilities from the dangers posed by drilling and other trench less technologies? NTSB
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

It is covered in the Addendum attached to the Standard Federal Inspection Form for Transmission pipelines.

- | | | | |
|----------|---|---|---|
| 2 | Did the state inspector check to assure the pipeline operator is following its written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system?
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

This requirement is covered while inspecting requirements of 192.614 on the Standard Transmission Form.

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

Evaluator Notes:

The AOGC has taken the opportunity to promote these practices during Standard inspections and during meetings with operators such as TQ seminars. AOGC attends and presents at one call annual conference. AOGC also promotes practices with the facilities they regulate that are not under federal jurisdiction.

- | | | | |
|----------|--|---|---|
| 4 | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests? (This can include DIRT and other data shared and reviewed by the pipeline safety program)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

There have not been any damages on pipelines under the jurisdiction of the AOGC. There is not a proper level of data to evaluate trends at this time. The AOGC requests number of locates per year from Arkansas One Call to monitor the level of excavation activities near pipelines under their jurisdiction.

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

Evaluator Notes:

The AOGC has generally 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 OnlyInfo Only
 Info Only = No Points

Name of Operator Inspected:
 Fayetteville Gathering Company
 Name of State Inspector(s) Observed:
 Michael Gray
 Location of Inspection:
 Hattieville, AR
 Date of Inspection:
 October 18,2017
 Name of PHMSA Representative:
 Don Martin

Evaluator Notes:
 Field testing of cathodic protection, inspection of overpressure devices, atmospheric corrosion, valve operations, inspection of above ground facilities and marker signs.

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

Evaluator Notes:
 The AOGC notified the operator by letter sent September 14, 2017.

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

Evaluator Notes:
 Yes, PHMSA Form 1.

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

Evaluator Notes:
 No issues were identified with the inspectors thoroughness.

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

Evaluator Notes:
 Yes, cathodic protection testing equipment was checked and verified for calibration.

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

- a. Procedures
- b. Records
- c. Field Activities
- d. Other (please comment)

Evaluator Notes:
 The records portion was completed on a previous date. Field testing was observed on this day.



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

Evaluator Notes:

The inspector exhibited very good knowledge of the 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) 1 1
 Yes = 1 No = 0

Evaluator Notes:

Yes.

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

Evaluator Notes:

The inspector stated there were no probable violations found during the inspection on this day.

10 General Comments: 1) What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) 2) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 3) Other. Info Only Info Only

Info Only = No Points

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



- E. Vault Maintenance
- F. Welding
- G. OQ - Operator Qualification
- H. Compliance Follow-up
- I. Atmospheric Corrosion
- J. Other

Evaluator Notes:

The items checked above were covered by the inspector.

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



PART H - Interstate Agent State (If Applicable)

Points(MAX) Score

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

Evaluator Notes:
The AOGC is not an interstate agent.

2 Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
The AOGC is not an interstate agent.

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

Evaluator Notes:
The AOGC is not an interstate agent.

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

Evaluator Notes:
The AOGC is not an interstate agent.

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

Evaluator Notes:
The AOGC is not an interstate agent.

6 Did the state give written notice to PHMSA within 60 days of all probable violations found? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
The AOGC is not an interstate agent.

7 Did the state initially submit documentation to support compliance action by PHMSA on probable violations? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
The AOGC is not an interstate agent.

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

Evaluator Notes:
The AOGC is not an interstate agent.

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



PART I - 60106 Agreement State (If Applicable)

Points(MAX) Score

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

Evaluator Notes:
The AOGC does not have a 60106 agreement with PHMSA.

2 Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
The AOGC does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:
The AOGC does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:
The AOGC does not have a 60106 agreement with PHMSA.

5 Did the state give written notice to PHMSA within 60 days of all probable violations found? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
The AOGC does not have a 60106 agreement with PHMSA.

6 Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
The AOGC does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:
The AOGC does not have a 60106 agreement with PHMSA.

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

