

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

2016 Hazardous Liquid State Program Evaluation

for

Oklahoma Corporation 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 -- Accident Investigations
- F -- Damage Prevention
- G -- Field Inspections
- H -- Interstate Agent State (if applicable)
- I -- 60106 Agreement State (if applicable)



2016 Hazardous Liquid State Program Evaluation -- CY 2016
Hazardous Liquid

State Agency: Oklahoma
Agency Status:
Date of Visit: 06/27/2017 - 06/30/2017
Agency Representative: Dennis Fothergill, Manager of Pipeline Safety Department
 Kelly Phelps, Supervisor
PHMSA Representative: Don Martin
Commission Chairman to whom follow up letter is to be sent:
Name/Title: Dana Murphy, Chairman
Agency: Oklahoma Corporation Commission (OCC)
Address: 2101 North Lincoln Blvd.
City/State/Zip: Oklahoma City, Oklahoma 73105

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

PARTS	Possible Points	Points Scored
A Progress Report and Program Documentation Review	10	10
B Program Inspection Procedures	13	13
C Program Performance	43	43
D Compliance Activities	15	15
E Accident Investigations	10	10
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	111	111
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:

The OCC's report from its inspection database matched the operator and units information contained in Attachment 1. The number of inspection units in Attachment 1 are the same as Attachment 3. No issues found.

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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 OCC's report from its inspection database documented the inspection person days entered into Attachment 2.

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

The total number of inspection units on Attachment 3 matched the total number on Attachment 1.

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

Six accidents were listed in PHMSA's Pipeline Data Mart. Attachment 4 did not list any accidents. The OCC investigated the six accidents. The OCC determined that federal reporting criteria levels were not exceeded; therefore, the OCC was not required to list these accidents on Attachment 4.

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

Evaluator Notes:

The OCC's records and database documented the data entries into Attachment 5.

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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:

A review of the OCC's files and database indicated that they are organized and easily accessible.

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|----------|--|---|---|
| 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. The training is downloaded from PHMSA Training and Qualifications Division's SABA database.

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|----------|---|---|---|
| 8 | Verification of Part 195,198,199 Rules and Amendments - Progress Report Attachment 8
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

No issues found with the OCC's entries on Attachment 8.



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:

The OCC provided sufficient detail on accomplishments of its program in Attachment 10. No improvements identified.

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

Evaluator Notes:

The OCC 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.

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

The OCC's Guidelines states Standard Inspections will be conducted as follows:

HVL, CO2, Crude - All systems will be inspected once ever one to five years.

Low Stress Systems - All systems will be inspected once ever one to three.

Pre-inspection activities, inspection activities, post-inspection activities have been included in the procedures.

- 2 IMP 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.

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

All operators will have their Integrity Management Program (see 49 CFR Part 195.452) reviewed as follows:

- The department will review all programs within one to five years of the department determining the pipeline facilities are subject to the Commission's authority.
- After the initial review, the department will conduct follow-up reviews to determine if the operator is meeting all required evaluation time frames and are modifying their Integrity Management Plan based on the results of their reviews. These reviews will conducted within five years of conducting the last review. . Reviews will be conducted based on the following order:
 - Pipelines which have experienced accidents
 - Operators with the most miles of HCA pipelines
 - Operators with the least miles of HCA pipelines

IMP Field Review: The department will conduct onsite reviews to evaluate the operator's compliance with integrity management requirements and construction requirements. If an inspector is not available at the time of the dig, a record review will be conducted at a later date.

Pre-inspection activities, inspection activities, post-inspection activities have been included in the procedures.

- 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.

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Initial: All pipeline operators will have their Operator Qualification Plan reviewed within one to five years of the department determining they are a regulated pipeline operators.

Follow-up: A follow-up review of each operator's operation qualification plans will be conducted once every five years.

Field OQ Review: Field OQ review Inspections will be conducted during either a standard or specialized inspection, based on the following:

Small Operators: A field OQ review will be conducted during each standard inspection.

Large Operators: A field OQ review will be conducted at least once in every inspection unit during each standard inspection. Since the department inspects on a system level, there is a good possibility during any given year, more than one audit will be

conducted in a previously inspected inspection unit. At the discretion of the inspector and the availability of new operator personnel during the subsequent inspection, a second field OQ review may be conducted.

- 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:
 Damage Prevention inspections are conducted as part of Standard Inspections and follow the same intervals as Standard Inspections.

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

Evaluator Notes:
 Individual Operator Training:
 Each inspector is required to conduct 5 training session each year. The training sessions shall cover recent regulation changes and areas of concern.

Small Operator Training:
 The department will conduct 5 to 10 small operator group training sessions each year. The training sessions shall cover recent regulation changes and areas of concern.

- 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:
 The OCC procedures states that construction inspections will be scheduled as projects occur and as time permits.

- 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 <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 area, Population Density, etc) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| f. Are inspection units broken down appropriately? | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:
 The OCC's Inspection Guidelines contains procedures that comply with elements (a. through (f. above. No issues with the OCC's determination of inspection units.

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

Evaluator Notes:

The OCC 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):
 343.00
 B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 220 X 3.03 = 667.33
 Ratio: A / B
 343.00 / 667.33 = 0.51
 If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
 Points = 5

Evaluator Notes:

The OCC's ratio of 0.51 exceeded the minimum required ratio of 0.38.

- 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 IMP Training before conducting inspection as lead Yes No Needs Improvement
 - c. Root Cause Training by at least one inspector/prgram 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:

C.2 (a. Upon a review of PHMSA Training and Qualification Division' "SABA" training database, all inspectors/investigators have met expectations for training completion. Inspectors received hazwoper refresher training from an outside provider. The Program Manager enrolled in the remaining class to be completed in 2016. However, due to illness, he was not able to attend. The class was completed in 2017.
 C.2 (b, (c and (e - Requirements have been met for b., c. and e.

- 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. Dennis Fothergill has been the manager of the OCC's program for over twenty seven years. Dennis is very knowledgeable of pipeline safety regulations and the pipeline safety grant 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 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

The OCC responded in 7 days and addressed the issues in the letter. The program manager was scheduled to take course PL3293 as stated in the letter. The program manager had to reschedule to a later date.

- 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 previous seminars were held November 2014 and May 2016..



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

Yes. The OCC met its frequencies set out in its Inspection Guidelines. Attachment 1 of the OCC's Progress Report shows a high level of operator and units inspected each year.

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

The OCC uses the federal inspection forms for its inspections. A review of randomly selected 2016 inspection files showed that all applicable portions of the forms were completed appropriately.

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| 8 | 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 195.402(c)(5)?
Yes = 1 No = 0 | 1 | 1 |
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Evaluator Notes:

The OCC utilizes PHMSA's inspection forms. This requirement is covered on the PHMSA inspection form.

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| 9 | 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:

Data is entered from annual reports into Microsoft Access. Reports are written to observe certain data and trends. The information is also used for assessing risk to help determine inspection scheduling.

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| 10 | Did state input all applicable OQ, LIMP 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:

The OQ and LIMP inspection results were confirmed to be uploaded to their respective databases. No notifications were submitted during 2016. No issues

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| 11 | Has state confirmed intrastate 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 OCC checks with the NPMS manager in Washington, DC each year to obtain information to compare with the OCC's data. This issue is also covered on the Standard Inspection form.

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| 12 | 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 OCC conducted ten Drug and Alcohol inspections during the calendar year of 2016.

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| 13 | 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 195 Part G
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

The OCC spent 10 inspection person days conducting OQ inspections. Five OQ plans were reviewed and five field inspections (Protocol 9) were conducted.

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| 14 | Is state verifying operator's hazardous liquid integrity management (L IMP) Programs are up to date? This should include a previous review of LIMP 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 195.452 Appendix C
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

The OCC completed five LIMP plan reviews during the calendar year of 2016. Review LIMP implementation (field) inspection if a SRC is filed after assessment is completed.

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| 15 | 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 195.440
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

The OCC conducted 13 PAPEI inspections during the calendar year of 2016. The OCC completed the initial Public Awareness inspections prior to the end of 2013.

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| 16 | 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 OCC's website has a section for Pipeline Safety. The OCC participates in the Okie One Call (OPAL) public awareness program. There are several small operator training seminars given around the State each year. All Operators have access to the OCC's docket system. The Public has rights to request and receive paper and electronic records.

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| 17 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

There were three SRC filed during 2016, BKEP and Enterprise. The OCC reported to the Southwest Region that Enterprise is an interstate hazardous liquid pipeline and not jurisdictional to the OCC. BKEP is still open but will be closed soon. BKEP purged the pipeline and took the section of pipeline out of service. No issues.

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| 18 | Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

No instances were found where the OCC did not respond.

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| 19 | 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.
Needs Improvement = .5 No = 0 Yes = 1 | 1 | 1 |
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Evaluator Notes:

The OCC has not granted any waivers to a hazardous liquid pipeline operator.

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| 20 | Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated? | 1 | 1 |
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Needs Improvement = .5 No = 0 Yes = 1

Evaluator Notes:

Yes, the OCC attended the NAPS National Meeting in Indianapolis, IN.

21 Discussion on State Program Performance Metrics found on Stakeholder Communication site ? <http://primis.phmsa.dot.gov/comm/states.htm> 2 2
Needs Improvement = 1 No = 0 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 of the metrics are trending in the direction of improvement. Inspection person-days per 1000 miles of Hazardous Liquid Pipelines has increased in recent years. It was clear from the discussion with the Program Manager and Supervisor that the drivers behind the trends are understood. No issues were found.

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

Evaluator Notes:

The OCC's inspection person days increased substantially with the new calculation tool. Because the OCC has minimal travel time, the average number of inspection person days per inspector is approximately 110, much higher than the accepted 85. The OCC's average allows it to achieve the number of inspection person-days with the same level of staff that it has presently. Even though the OCC's inspection person-day required substantially with the new tool there is no need to submit a plan to meet the requirement.

23 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 Info Only
Info Only = No Points

Evaluator Notes:

The OCC did not add to Inspection Form Addendum for 2016 but it will be added for 2017.

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

Evaluator Notes:

The OCC generally complied with Part C requirements of this evaluation.

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



PART D - Compliance Activities

Points(MAX) Score

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

Yes, the Inspection Guidelines provide these procedures on pages 7 to 9. The Commission Rules & Practice also provide procedures identifying steps. Also contained in Chapter 20 of Oklahoma Administrative Code Title 165.

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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 director 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 completed in 2016, all aspects of these requirements were handled appropriately. No issues.

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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 completed in 2016 no instances were found where compliance actions were not taken for all probable violations. No issues.

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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 completed in 2016, no instances were observed where the operator was not given due process to argue the allegations of non-compliance.

- | | | | |
|---|---|---|---|
| 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 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, the Program Manager stated the following criteria:
 Actions caused damage to a third party or public.
 Repeat violation.
 Severity of violation.
 Cooperation of operator.
 Ability to pay can determine amount of penalty.

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

Evaluator Notes:

The OC has not issued a civil penalty to a Hazardous Liquid Pipeline Operator in several years; however, the OCC issued a civil penalty of \$1,010,000 to a Gas Pipeline Operator in 2016. The penalty was collected in 2016.

- 7 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

The OCC 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 - Accident Investigations

Points(MAX) Score

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

Evaluator Notes:

Yes, the Inspection Guidelines provide these procedures on pages 7 to 9. The Commission Rules & Practice also provide procedures identifying steps. Also contained in Chapter 20 of Oklahoma Administrative Code Title 165.

- 2 Does state have adequate mechanism to receive and respond to operator reports of accidents, 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 instructions for contact is contained in the operators' procedure manuals. The OCC verifies the contact information during an inspection. There is a voice mail message that directs who to call after hours. The on call inspector is changed each week.

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

Evaluator Notes:

The OCC investigated the five 2016 incidents on site. There was no need to obtain information by other means.

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

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

Evaluator Notes:

There were six reported incidents on intrastate operators' facilities during the calendar year of 2016. The investigation reports for the incidents were reviewed. There were no issues identified from the review. In all cases the OCC determined that the accidents did not reach federal reporting criteria levels.

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

Evaluator Notes:

No probable violations were identified from the investigations.

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

Evaluator Notes:

No information was received that indicated the OCC needed improvement in its follow-up actions.

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

Evaluator Notes:

The OCC presented its incident investigation results at the NAPSRS Southwest Region Meeting in 2016.

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

Evaluator Notes:

The OCC has generally complied with the requirements of Part E of this evaluation.

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



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?
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:
The OCC added this question to the standard inspection form addendum. It is covered during Standard Inspections.

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

Evaluator Notes:
Yes, this is covered during Standard Inspections when covering 195.442.

- | | | | |
|----------|--|---|---|
| 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:
Yes, as of August 27, 2015 the OCC now has authority to enforce violations of the Oklahoma Underground Facilities Damage Prevention Act for damages to Part 192 and 195 regulated pipelines. The OCC participated and made presentations at the one call system's Damage Prevention Expo.

- | | | | |
|----------|--|---|---|
| 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:
Damage information is collected from operators' annual reports and other requests of operators by the OCC. On a two year interval the information is farther broken down by damages caused by the operator (or operator's contractor) or a third party excavator. The information is analyzed and trended by the program manager. The program manager also reviews the damage prevention metric on the PRIMIS website.

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

Evaluator Notes:
The OCC 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 Only Info Only
 Info Only = No Points
 Name of Operator Inspected:
 Chapparel CO2 LLC
 Name of State Inspector(s) Observed:
 Vince Eitzen, Lead Inspector and Ron Smith
 Location of Inspection:
 Velma, OK
 Date of Inspection:
 June 29, 2017
 Name of PHMSA Representative:
 Don Martin

Evaluator Notes:
 The OCC conducted a Standard Inspection of the operator's CO2 pipeline that begins near Lindsay, OK and ends near Velma, OK. The OCC also conducted an Operator Qualification Protocol 9 inspection on two tasks.

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:
 Yes. The operator had four representatives present during the inspection. The OCC notified the operator of the inspection in January, 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. The OCC inspectors utilized PHMSA Form 3 that had been updated by the OCC for any new regulations.

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

Evaluator Notes:
 Yes. The OCC inspectors entered the results of each question on the form. Any non-compliance was noted as unsatisfactory and described on the form.

5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps, valve keys, half cells, etc) 1 1
 Yes = 1 No = 0

Evaluator Notes:
 Yes. The operator used a volt meter and half cell to conduct cathodic protection readings. The OCC inspected the equipment to verify it was appropriate.

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 OCC inspectors reviewed records for patrolling, valve inspections, and MOP during the day of the observation. Most of the records review took place on the day before. The OCC inspectors briefed the evaluator on what was covered the previous



day.

The OCC inspectors observed cathodic protection readings, right of way conditions, signs and markers, atmospheric corrosion and other visual observations of facilities in the field.

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

Evaluator Notes:

The inspectors have completed all of the required Training and Qualifications training and have several years of experience inspecting pipeline operators. The inspection was conducted in a very professional and organized manner.

-
- | | | | |
|----------|---|---|---|
| 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)
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

An exit interview was conducted at the end of the day on June 29, 2017. The briefing included the results of the inspection on the previous day.

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

Evaluator Notes:

Yes. The lead inspector described two probable violations that were found during the inspection. The inspector stated that the operator would receive written notification of the probable violations within 90 days.

-
- | | | | |
|-----------|--|-------------------------------------|-----------|
| 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 = No Points | Info Only | Info Only |
| | a. Abandonment | <input checked="" type="checkbox"/> | |
| | b. Abnormal Operations | <input checked="" type="checkbox"/> | |
| | c. Break-Out Tanks | <input type="checkbox"/> | |
| | d. Compressor or Pump Stations | <input checked="" type="checkbox"/> | |
| | e. Change in Class Location | <input type="checkbox"/> | |
| | f. Casings | <input checked="" type="checkbox"/> | |
| | g. Cathodic Protection | <input checked="" 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 checked="" type="checkbox"/> | |
| | q. MAOP | <input type="checkbox"/> | |
| | r. Moving Pipe | <input type="checkbox"/> | |
| | s. New Construction | <input type="checkbox"/> | |
| | t. Navigable Waterway Crossings | <input type="checkbox"/> | |
| | u. Odorization | <input type="checkbox"/> | |
| | v. Overpressure Safety Devices | <input 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
- 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 OCC inspectors covered the items checked above. The OCC inspectors complied with the requirements of Part G of this evaluation.

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 OCC 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 OCC 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 OCC 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 OCC 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 OCC 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 OCC 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 OCC is not an interstate agent.

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

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

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

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

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

