

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

2016 Gas 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 -- 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: Oklahoma

Rating:

Agency Status:

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

Date of Visit: 06/27/2017 - 06/29/2017

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

		Possible Points	Points Scored
	PARTS		
	A Progress Report and Program Documentation Review	10	10
	B Program Inspection Procedures	13	13
	C Program Performance	47	47
	D Compliance Activities	15	15
	E Incident 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	115	115
	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 inspection database contained the information used to complete Attachment 1. The number of operators and inspection units in the database matched Attachment 1 entries. No issues with accuracy were found.

- | | | | |
|----------|--|---|---|
| 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 inspection database is updated when inspection reports are completed. Inspection person-days are entered into the database by inspection report. No issues with accuracy were found.

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

Attachment 3 information is taken from the OCC inspection database. A report generated from the database verified that Attachment 3 information was accurate. The total number of inspection units shown on Attachment 3 matched the total number on Attachment 1.

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

The incidents listed on Attachment 4 matched the incidents found in PHMSA's Pipeline Data Mart.

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

Evaluator Notes:

All probable violation information entered into Attachment 5 is entered from a report generated by the OCC's inspection database. A review of the summary numbers matched the entries in Attachment 5.

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

Evaluator Notes:

The inspection database is an effective tool to store, review and report inspection activity. Files pertaining to the pipeline safety program were accessible and organized in an acceptable manner.

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

All employees participating in the pipeline safety program were listed properly. Training records were downloaded from PHMSA Training and Qualifications Division's 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:

No issues were found with rules and amendment adoption as shown 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:

Attachment 10 information was acceptable.

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. | 2 | 2 |
|----------|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

The OCC's Guidelines, revised states Standard Inspections will be conducted on all Municipal, Master Meter and small Public Utility systems once every one to three years. Gas Transmission, Gathering and Large Public Utility will be inspected once every five years. Pre-inspection activities, inspection activities, post-inspection activities have been included in the procedures.

- | | | | |
|----------|--|---|---|
| 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 OCC's Guidelines, revised August, 2016, states Gas Transmission IMP inspections will be conducted with three years of becoming jurisdictional with follow up inspections once every five years. Distribution IMP inspections will be conducted as soon as jurisdictional with follow up inspection once every five years. 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. | 1 | 1 |
|----------|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Operator Qualification inspections are conducted as part of the Standard Inspections and follow the same interval as Standard Inspections.

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

The OCC's Guidelines, revised August, 2016, states that inspectors are required to conduct five training sessions per year for individual operators. The OCC will conduct five to ten sessions each year for small operators. Industry wide training sessions are to be conducted once every 18 months in conjunction with PHMSA TQ training staff.

- | | | | |
|----------|--|---|---|
| 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's Guidelines, revised August, 2016, states Construction Inspections are scheduled as they occur.

7	Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? Yes = 6 No = 0 Needs Improvement = 1-5	6	6
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 areas, Population Density, etc)	Yes <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>
e.	Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors)	Yes <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>
f.	Are inspection units broken down appropriately?	Yes <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>

Evaluator Notes:

The OCC's Guidelines, revised August, 2016, states procedures that comply with elements (a. through (f. above. The OCC guidelines state that all inspection types will be completed within five years; however, there some operator types that are scheduled more frequent than five years such as master meters and small municipals due to some risk factors that are more prevalent with those operators.

8 General Comments:
Info Only = No Points

Info Only Info Only

Evaluator Notes:

The OCC 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):
 1427.00
 B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 220 X 9.55 = 2101.00
 Ratio: A / B
 1427.00 / 2101.00 = 0.68
 If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
 Points = 5

Evaluator Notes:

The OCC's ratio of 0.68 far exceeded the minimum ration of .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 <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. Root Cause Training by at least one inspector/program manager | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. Note any outside training completed | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

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:

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. The response contained in the correspondence was acceptable.

- 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:

Last seminar was held in May 2016 which was two years after the previous seminar.

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 is on a five year schedule to complete all inspection types. There was no evidence of the OCC not meeting this schedule.

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. Upon a review of randomly selected 2016 inspection files all applicable portions of the forms were completed appropriately.

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:

There is no cast iron reported by operators in Oklahoma.

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:

There is no cast iron reported by operators in Oklahoma.

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 OCC utilizes PHMSA's Standard Inspection Form. This requirement is covered on the federal inspection form. Upon a review of randomly selected inspection files, the forms were completed for this requirement.

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:

192.617 requirements are covered when completing PHMSA's Standard Inspection Form. Upon a review of randomly selected inspection files, the forms were completed for this requirement.

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 Program Manager's Administrative Assistant enters data from annual reports into a Microsoft Access database. Queries are written to report and observe certain data and trends. The information is also used to assess risk factors for individual operators and systems. The information is also compared to the Performance Metrics contained on the PRIMIS webpage.

- 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

Evaluator Notes:

Upon a review of the OQ Database, the entries for inspections conducted during 2016 were completed. No inspections appeared to be omitted.

- 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

Evaluator Notes:

The OCC covers operators' NPMS submissions while utilizing PHMSA's inspection form. Upon a review of randomly selected inspection files the question was completed for NPMS submissions. The OCC checks with the NPMS manager in Washington, DC each year to obtain information to compare with the OCC's data.

- 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

Evaluator Notes:

The OCC conducted 130 Drug and Alcohol field investigations utilizing Form 13 during 2016. No issues were found with this requirement.

- 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

Evaluator Notes:

The OCC spent 81.5 inspection person-days conducting OQ inspections. Forty OQ plans were reviewed and approximately 112 field inspections (Protocol 9) were conducted.

- 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

Evaluator Notes:

38 inspection person days were spent on integrity management inspections during CY2016. Seven inspections were conducted.

- 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

Evaluator Notes:

The DIMP inspections were completed prior to December, 2014. The effectiveness reviews are began in August, 2016. The OCC completed twenty one effectiveness reviews during CY2016.



- 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

Evaluator Notes:

Thirty three Plan and/or PPAEI inspections were conducted on gas operators in CY2016. The OCC conducted 95 in 2015.

- 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

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.

- 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 was one SRC for gas in 2016. The operator corrected the condition and the report is closed. OCC met the requirements to update the Southwest Region.

- 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:

The OCC covers this issue when conducting DIMP and IMP 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:

No instances were found where the OCC 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 OCC does not have any open waivers with any operators.

- 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:

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

- 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 of the metrics are trending in the direction of improvement. It was clear from the discussion with the Program Manager and Supervisor that the drivers behind the trends are understood. No issues were found.

- 27 Discussion with State on accuracy of inspection day information submitted into State Info Only|Info Only
 Inspection Day Calculation Tool. (No points)
 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 120, 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.

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

Evaluator Notes:

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

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

Evaluator Notes:

The OCC generally complied with Part C requirements of this evaluation.
C.28 - The OCC did not add to Inspection Form Addendum for 2016. It should be added for 2017.

Total points scored for this section: 47
Total possible points for this section: 47



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:

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 | 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 completed in 2016, no instances were found where requirements of (a, (b, (c, (d, and (e were not met. No issues.

- | | | | |
|----------|--|---|---|
| 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, compliance actions were taken for all probable violations. No issues.

- | | | | |
|----------|---|---|---|
| 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 Needs Improvement = 1 | 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 OCC issued a civil penalty of \$1,010,000 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 - 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:

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 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 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 NA**
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 incidents 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 when appropriate Yes No Needs Improvement

Evaluator Notes:

There were five 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.

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

Evaluator Notes:

All of the incidents that had probable violations identified were issued written non-compliance notifications.

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

Evaluator Notes:

The Southwest Region did not provide any feedback that indicated the OCC needed improvement in its follow-up actions.

7 Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPS Region meetings, state seminars, etc) **1 1**



Yes = 1 No = 0

Evaluator Notes:

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

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

The OCC 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? NTSB
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

The OCC includes this question in 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:

The OCC reviews compliance of these requirements while covering 192.614 in its Standard Inspections.

- | | | | |
|---|--|---|---|
| 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:
 Oklahoma Natural Gas, P.O. Box 401, 401 North Harvey, Oklahoma City, OK 73102
 Name of State Inspector(s) Observed:
 John Harper, Lead Inspector, Randy Snyder, Bruce Campbell
 Location of Inspection:
 401 North Harvey, Oklahoma City, OK
 Date of Inspection:
 2/22/2017 to 2/23/2017
 Name of PHMSA Representative:
 Don Martin

Evaluator Notes:
 The OCC conducted a DIMP Implementation Inspection. The inspection of the operator's DIMP Plan was conducted in 2012.

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's Vice President, Kent Shortridge (by Conference Call)
 Bob Kenworthy, Director Pipeline Integrity
 Chris Carr, Director of Compliance
 The OCC provided advanced notification more than two weeks prior to 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) 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:
 The OCC inspectors used Inspection Form 24 Question Set. Questions 1 through 44 were used during the inspection. The inspection form guided the lead inspector through the inspection. One inspector documented the results on the form. Another inspector documented the records and locations that were reviewed to confirm compliance or not.

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

Evaluator Notes:
 Yes, Randy Snyder documented the results on Form 24 as the Lead Inspector stepped through the inspection. All Questions were completed.

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:
 The OCC conducted a DIMP Implementation inspection. Equipment was not needed for the operator to show evidence of compliance. Maps were presented to document where new information was discovered on its pipeline system.

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 conducted a DIMP Implementation Inspection. To complete this inspection type the OCC had to constantly refer to the operator's DIMP Plan. Records had to be reviewed to confirm that certain implementation requirements were completed according to Subpart P or the operator's DIMP Plan.

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 lead inspector and supporting inspectors had completed all required training related to the regulations being reviewed. In addition, the inspectors had completed all TQ training requirements and have several years of experience in natural gas operations and pipeline safety regulatory oversight.

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, an exit interview was conducted by the lead inspector at the completion of the inspection.

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 Lead Inspector stated the following were probable violations:

192.1007(a)(3) - No records documenting employee/contractor training on DIMP. 192.1007(a) - No records documenting face to face meetings with problem excavators.

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 OCC conducted a DIMP Implementation Inspection. The inspection of the operator's DIMP Plan was conducted in 2012. The inspectors did an excellent job in their preparation for the inspection. The inspection was conducted in a professional manner and was thorough. No issues were identified with the requirements of Part G of this program 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 Section 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 Section 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 Section 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 Section 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 Section 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 Section 60106 agreement with PHMSA.

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

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

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

