

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

2016 Gas State Program Evaluation

for

Tennessee Public Utility 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: Tennessee

Agency Status:

Date of Visit: 07/19/2017 - 08/24/2017

Agency Representative: Annette Ponds, Chief, Gas Pipeline Safety

Earl Taylor, Executive Director

Phill Hendricks, Engineer

Pete Hut, Engineer

Regina Brown, Engineer

PHMSA Representative: Glynn Blanton, PHMSA State Programs

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

Name/Title: David F. Jones, Chairman

Agency: Tennessee Public Utility Commission

Address: 502 Deadrick Street, 4th Floor

City/State/Zip: Nashville, TN 37243

Rating:

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

INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 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
B	Program Inspection Procedures
C	Program Performance
D	Compliance Activities
E	Incident Investigations
F	Damage Prevention
G	Field Inspections
H	Interstate Agent State (If Applicable)
I	60106 Agreement State (If Applicable)

10	9.5
13	13
49	48
15	15
11	11
8	8
12	12
0	0
0	0

TOTALS

118 116.5

State Rating

98.7

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:

A review of Attachment 1 - Stats on Operators found the information correct and all inspection units were inspected in CY2016.

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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:

A review of records and files found information on Attachment 2- State Inspection Activity was correct. The number of inspections performed in CY2016 (634) was less than in CY2015 (654). No construction or Drug & Alcohol inspections were performed in CY2016.

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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 |
|----------|--|---|---|

Evaluator Notes:

A reviewed of Attachment 3 - List of Operators found the information correct.

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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 | 0.5 |
|----------|--|---|-----|

Evaluator Notes:

Yes, the incident that occurred on October 26, 2016 was listed. However, the location of the incident was listed incorrectly. The location is Nolensville not Murfreesboro, TN. A loss of half point occurred due to the inaccurate location name listed on the attachment. Carrie Winslow was contacted and requested to make correction to the name of the incident by Annette Ponds on August 23, 2017.

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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:

Reviewed and verified the carry over violations and compliance action numbers were correct. No issues with data. Noted civil penalty assessed in CY2016 was \$2.6 M and amount collected \$30,000.

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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:

Yes, reports, letters, forms and other pipeline safety information was accessible and well-organized. No areas of concern.

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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:

A review of SABA transcripts confirm all employees listed and training dates were correct. Improvement was noted by the Program Manager listing her name in the Inspector & Supervisor categories due to performing pipeline safety inspections. No areas of concern.

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|----------|--|---|---|
| 8 | Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 | 1 | 1 |
|----------|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Information listed in Attachment 8 is correct. However, civil penalties amount of \$10,000 per day up to \$500,00 for a related series of violations is below the minimum requested amount of \$100,000 per day up to \$1 M for a related series of violations. This item was discussed with Program Manager.

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

Evaluator Notes:

A review of Attachment 10 confirm planned performance goals and accomplishments were completed. No areas of concern.

10 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

A loss of half point occurred in this section of the review.

Total points scored for this section: 9.5
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:

A review of Tennessee Public Utility Commission (TPUC), Gas Pipeline Safety Division Program Plan found this item listed on page 7, section G, under "Comprehensive (Standard) Inspections". All inspections are performed at least once every five years using Federal Form 2. Items pertaining to pre-inspection and post-inspection activities are listed in Section B and C on page 4 under Conducting Inspections.

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

Yes, this is listed in TPUC Gas Pipeline Safety Division Program Plan pages 10 & 11.

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

Yes, this is listed in TPUC Gas Pipeline Safety Division Program Plan pages 9 & 10. No areas of concern.

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

Yes, this is listed in TPUC Gas Pipeline Safety Division Program Plan page 10.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of TPUC, Gas Pipeline Safety Division Program Plan found this item listed on page 10, under I, Training & Operator Qualification Inspections.

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

A review of TPUC, Gas Pipeline Safety Division Program Plan found this item listed on page 8, under H, Design, Testing and Construction Inspections. No areas of concern.

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|---|---|---|---|
| 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

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

A review of TPUC, Gas Pipeline Safety Division Program Plan found these items listed on page 3, under B, Inspection Priorities under Inspection Planning. A review of inspection units found them to be broken down correctly. It was discussed that TPUC will be adding additional inspection units to their program in CY2018 due to Memphis Gas, Light & Water being moved from 1 into 7 inspection units.

8 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

No loss of points occurred in this section of the review.

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):
634.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 $220 \times 5.96 = 1310.47$

Ratio: A / B
 $634.00 / 1310.47 = 0.48$

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

Evaluator Notes:

A.Total Inspection Person Days (Attachment 2)= 634

B.Total Inspection Person Days Charged to the program($220 \times$ Number of Inspection person years(Attachment 7)=1310.46652

Formula:- Ratio = A/B = $634/1310.46652 = 0.48$

Rule:- (If Ratio $\geq .38$ then points = 5 else Points = 0.)

Thus Points = 5

- 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

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

Five inspectors which includes the Program Manager have completed all required gas courses and meet the gas inspector training requirements. The remaining three inspectors are scheduled to attend TQ and complete the required courses in CY2018. Travis Aslinger, Pete Hut, Shinisha Freeman, Phil Hendricks and Annette Ponds have completed the root cause course. Pete Hut, Annette Ponds, Phill Hendricks, Travis Aslinger & Shinisha Freeman have completed DIMP Inspector Training requirements. Only two inspectors have completed the LNG course. No outside training was completed by inspectors in CY2016.

- 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:

Yes, Program Manager has a good understanding of the requirements of the pipeline safety program and has over five years of experience.

- 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:

Yes, Chairman David Jones' response letter to Zach Barrett was sent on October 17, 2016 and within the required 60 days time frame. No areas of concern.

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| 5 | Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5
Yes = 1 No = 0 | 1 | 1 |
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Evaluator Notes:

The last seminar was held in November 18-20, 2014. TPUC plans to hold a TQ Seminar on August 28-31, 2017 at the Montgomery State Park.

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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 |
|---|--|---|---|

Evaluator Notes:

Yes, a review of CY2016 inspection reports confirm all inspection units were inspected. No areas of concern.

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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:

Yes, TPUC uses the Federal Inspection forms with additional information listed in the document that is relative to their rules and regulations. Additional information on EFV's and NTSB recommendations are included in all updated forms.

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|---|---|---|---|
| 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 | 1 |
|---|---|---|---|

Evaluator Notes:

Yes, this question is listed on the Federal inspection form used by the inspectors. A review of inspection reports determined this item was checked and reviewed with the operator.

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|---|--|---|---|
| 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 | 1 |
|---|--|---|---|

Evaluator Notes:

Yes, this item is listed in the federal inspection form used by the inspector. A review of documents found this item was checked and reviewed. No areas of concern.

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

Yes, this is reviewed with the operator during a standard or other type of inspection. A reviewed of standard inspection forms found this item listed on page 8 of 25. No areas of concern.

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|----|--|---|---|
| 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 |
|----|--|---|---|

Evaluator Notes:

Yes, this is reviewed with the operator during a standard inspection. A review of standard inspection forms found this item listed on page 7 of 25. No areas of concern.

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

Evaluator Notes:

Yes, TPUC reviews all operator annual reports as they are submitted and records the information into their Risk Management Model. The model is used to establish inspection priorities for the operators to be inspected. Inspectors will review data and incident/accident reports prior to performing an inspection.

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

Evaluator Notes:

Yes, they have uploaded all OQ, DIMP/IMP inspection results into the federal database within a reasonable time. A review of each website confirm TPUC submitted all inspection results within a reasonable time.

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

Evaluator Notes:

Yes, all eighteen intrastate transmission operators were inspected in CY2016. This item is listed on the federal transmission form page 28 of 42. A review of inspection reports found this item was checked.

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

Evaluator Notes:

Yes, Drug and Alcohol inspections are performed and included in the standard inspection. A review of West TN Public Utility District inspection found this item was reviewed with the operator.

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

Evaluator Notes:

Yes, OQ Protocol Element 9 is included in the standard inspection of all operators annually. A review of inspection reports confirm this was completed in CY2016.

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

Evaluator Notes:

Yes, TPUC inspectors are using the Federal IA form to meet this requirement. This item is listed on page 4 of 41. A review of AGC Flat Glass inspection report on December 30, 2016 found this item checked satisfactorily.

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

Evaluator Notes:

Yes, TPUC reviews the operator's annual reports and DIMP plans prior to and during the inspection with the operator. It was suggested this question be included in the standard inspection form or a separate mailing to the operator to insure this item is reviewed annually.

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

Yes, TPUC completed all PAPEI inspections in CY 2014 and is scheduled to perform the second round of inspections in accordance to their procedures, in CY2018.

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

Yes, this is accomplished by TPUC website and their annual newsletter to all operators about changes in rules and regulations. It was suggested to the program manager the link to PHMSA be moved from the bottom of the webpage to the side.

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| 21 | 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:

Yes, the safety related condition report filed by Sevier County Utility District pertaining to the Gatlinburg fire was follow-up by the TPUC. information on the fire and other related information was shared with PHMSA Southern Region and Accident Investigation Division.

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|-----------|---|---|---|
| 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 | 1 | 0 |
|-----------|---|---|---|
-

Evaluator Notes:

No, they inquire about all leaks with the operator during their inspections but do not ask this question or have documentation to support this item was checked. Improvement is needed and a one point deduction occurred. It was suggested this question be included in all TPUC inspection forms.

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- | | | | |
|-----------|--|---|---|
| 23 | 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:

Yes, TPUC has responded to all PHMSA & NAPSRS surveys. A review of e-mails from Robert Clarillos to program manager confirm multiple responses. No areas of concern.

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| 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 | 1 | 1 |
|-----------|--|---|---|
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Evaluator Notes:

No state waivers/special permits have been issued in CY2016.

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|-----------|--|---|---|
| 25 | Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated? | 1 | 1 |
|-----------|--|---|---|
-

No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

Yes, Annette Ponds attended the 2016 NAPSR National Meeting in Indianapolis, IN.

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|-----------|---|--------------------------------------|--|
| 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 | 2 | 2 |
| a. | Discussion of Potential Accelerated Actions (AA's) based on any negative trends | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | NTSB P-11-20 Meaningful Metrics | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

In a review of charts, it was noted leaks outstanding have increased from previous year along with the number of leaks repaired. It was suggested a review of leaks outstanding be reviewed with the operator during the pipeline safety inspection.

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

Reviewed the State Inspection Day Calculation Tool with Annette Ponds. She has recently, updated the data and lowered the number of inspection days from 607 to 587. This number appears to be more reasonable to the type of inspections they will be performing based on the number of inspectors.

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

Evaluator Notes:

None of these items occurred in Tennessee.

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

A loss of one point occurred in this section of the review.

Total points scored for this section: 48
Total possible points for this section: 49



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:

- a. A review of TPUC Gas Pipeline Safety Division procedures, Section R, page 11, found written information on notification to the company officer when a non-compliance item is identified was listed. Although TPUC rules and state statute is listed on the cover letter, they do not include the civil penalty amounts for non-compliance. Improvement is needed and action needs to be taken to include civil penalty amounts in the body of letter to each operator.
- b. Yes, written procedures are included to prevent delay or breakdown of communication with the operator pertaining to compliance. This is monitored by the inspector who issued the violation.
- c. Yes, each inspector is responsible for closing the violation after receiving all information from the operator.

- | | | | |
|----------|--|---|--|
| 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 type="radio"/> No <input type="radio"/> | Needs Improvement <input checked="" type="radio"/> |

Evaluator Notes:

- a. Yes, a review of TPUC document entitled, "GPSD Natural Gas Operator Directory" found a list of all company officers or managers. The directory is updated annually or when a change occurs from the operator,
- b. Yes, violations are documented and entered into a spreadsheet, file card and risk model sheet.
- c. Probable violations are resolved by waiting for information from the operator or follow-up inspection.
- d. Inspector & administrative assistant review violations daily or weekly.
- e. State status section is listed in the letter but civil penalties are not provided. Improvement is needing by including this item in future letters. A loss of one point will occur in CY2017 if this item is not listed in the letter to the operator.

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

Evaluator Notes:

Yes, TPUC issued 40 non-compliance actions against 38 operators in CY2016.

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

Yes, all operators have the opportunity to request a show cause hearing or agree to a settlement offer.

- | | | | |
|----------|---|----------|----------|
| 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) | 2 | 2 |
|----------|---|----------|----------|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, in CY2016 the program manager assessed civil penalties and negotiated settlement agreements. The largest civil penalty assessed was \$2.3 M against Atmos Energy.

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:

Yes, the civil penalty and settlement agreement with Atmos Energy in CY2016 is an example of enforcement fining authority.

7 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

No loss of points occurred in this section of the review.

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

Evaluator Notes:

Yes, this is listed in Section VI of TPUC Gas Pipeline Safety Division Safety Program Plan Inspection, Enforcement & Incident Investigation Procedures, pages 13-16.

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

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

Evaluator Notes:

Yes, this is listed in Section H and Appendix A of TPUC Gas Pipeline Safety Division Safety Program Plan Inspection, Enforcement, Incident Investigation Procedures.

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

Evaluator Notes:

Yes, this item is listed in Section VI, B, page 15 of TPUC Gas Pipeline Safety Division Safety Program Plan Inspection, Enforcement & Incident Investigation Procedures

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

- | | | | | |
|----|---|--------------------------------------|--------------------------|---|
| a. | Observations and document review | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Contributing Factors | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Recommendations to prevent recurrences when appropriate | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

In CY2016 one incident occurred in Nolensville, TN. The investigation of the incident has not been completed and still under investigation by TPUC. A review of investigation files found a detailed listing of information about the incident along with pictures.

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

Evaluator Notes:

Not at this time due to the continuing investigation of the incident.

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

Evaluator Notes:

Yes, correspondence between PHMSA Southern Region and TPUC about the incident was shared.

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

Evaluator Notes:

Yes, Annette Ponds provided information about the incident at the NAPS Region meeting in Savannah, GA.

8 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

No loss of points occurred in this section of the review.

Total points scored for this section: 11
Total possible points for this section: 11



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:

Yes, this item is listed as a question on the standard inspection form.

- | | | | |
|---|---|---|---|
| 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 checked during the pre and post inspection with the operator.

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

Evaluator Notes:

A review of files and training agendas found this item was not accomplished in CY2016 or included in the standard inspection form. However, additional information was provided in a separate cover letter to Zach Barrett on September 8, 2017 and the two points were awarded.

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

Yes, this is being accomplished in TPUC review of the operator's annual reports. Each inspectors checks the number of damages listed and their causes. This information is discussed with the operator during the standard inspection.

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

Evaluator Notes:

A loss of two points occurred in this section of the review.

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:
West Tennessee Public Utility District
Name of State Inspector(s) Observed:
Phill Hendricks, Pete Hunt & Regina Brown
Location of Inspection:
Huntingdon, Tennessee
Date of Inspection:
July 19-21, 2017
Name of PHMSA Representative:
Glynn Blanton, PHP-50 State Evaluator

Evaluator Notes:

This was a standard and protocol 9 inspection. Phill Hendricks was the lead inspector conducting the office records with Pete Hunt and Regina Brown performing the field portion of the inspection.

- 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, Mr. Brent Dillahunt, General Manager, was notified by Phill Hendricks on March 30, 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, Phill Hendricks used and completed federal form 2- Standard Inspection of a Gas Distribution Operator.

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

Evaluator Notes:

Yes, it was observed by this writer Phil Hendericks asking questions and recording answers on the federal form 2 from the operator's representatives. He was very thorough in obtaining clarification from the operator on his questions when there was an area of concern.

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

Evaluator Notes:

Yes, Phill Hendricks checked the field and office records during the inspection while Pete Hunt conducted the field inspection. The operator had equipment on the truck to check for lock-up of regulator stations and key valve bars to turn emergency valves.

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

Evaluator Notes:

Yes.

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
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Evaluator Notes:

Yes, Phill Hendricks has completed all required courses to meet the gas inspector training requirements at TQ. He has three years of experience in pipeline safety.
Pete Hunt has completed all requires courses and has ten years of experience.

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
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Evaluator Notes:

Yes, Phill Hendricks conducted an exit interview with Mr. Brent Dillahunt, General Manager, on July 21, 2017.

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

Yes, Phill Hendricks identified two potential areas of concern. The concerns were rectifier readings and casing shorted not monitored in accordance to the pipeline safety regulations within 15 months.

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
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- | | | |
|----|-----------------------------------|-------------------------------------|
| a. | Abandonment | <input type="checkbox"/> |
| b. | Abnormal Operations | <input type="checkbox"/> |
| c. | Break-Out Tanks | <input type="checkbox"/> |
| d. | Compressor or Pump Stations | <input type="checkbox"/> |
| e. | Change in Class Location | <input type="checkbox"/> |
| f. | Casings | <input 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 type="checkbox"/> |
| m. | Line Markers | <input type="checkbox"/> |
| n. | Liaison with Public Officials | <input type="checkbox"/> |
| o. | Leak Surveys | <input checked="" type="checkbox"/> |
| p. | MOP | <input 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 type="checkbox"/> |
| w. | Plastic Pipe Installation | <input type="checkbox"/> |
| x. | Public Education | <input type="checkbox"/> |
| y. | Purging | <input type="checkbox"/> |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/> |
| A. | Repairs | <input type="checkbox"/> |

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

Evaluator Notes:

During the field inspection review, pipe-to-soil potential readings were taken at several locations in the City of Huntingdon. Additionally, several regulator stations and emergency valves were checked for lock-up and the ability to turn. No violations or areas of concern were found or noted.

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)?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

- | | | | |
|----------|---|---|----|
| 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.)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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)?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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