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

1200 New Jersey Avenue SE
Washington DC 20590

2009 Natural Gas State Program Evaluation

for

RAILROAD COMMISSION OF TEXAS

Document Legend
PART:

- O -- Representative Date and Title Information
- A -- General Program Qualifications
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2009 Natural Gas State Program Evaluation -- CY 2009

Natural Gas

State Agency: Texas
Rating:
Agency Status:
60105(a): Yes **60106(a):** No **Interstate Agent:** No
Date of Visit: 08/23/2010 - 09/03/2010
Agency Representative: Mrs. Mary L. McDaniel, Director Safety Division
PHMSA Representative: Mr. Patrick Gaume, State Liaison
Commission Chairman to whom follow up letter is to be sent:

Name/Title: Mr. Victor G. Carrillo, Chairman
Agency: Railroad Commission of Texas
Address: 1701 North Congress Ave.
City/State/Zip: Austin, Texas 78711

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 2009 (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 then 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 certification/agreement attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART F):

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 F, the PHMSA representative should include a written summary which thoroughly documents the inspection.

Scoring Summary

PARTS		Possible Points	Points Scored
A	General Program Qualifications	26	25
B	Inspections and Compliance - Procedures/Records/Performance	25	25
C	Interstate Agent States	0	0
D	Incident Investigations	7	7
E	Damage Prevention Initiatives	9	9
F	Field Inspection	12	12
G	PHMSA Initiatives - Strategic Plan	10	10
H	Miscellaneous	3	3
I	Program Initiatives	9	9
TOTALS		**101**	**100**
State Rating			**99.0**

PART A - General Program Qualifications

		Points(MAX)	Score
1	Did the state submit complete and accurate information on the attachments to its most current 60105(a) Certification/60106 (a) Agreement? (NOTE: PHMSA Representative to verify certification/agreement attachments by reviewing appropriate state documentation. Score a deficiency in any one area as "needs improvement". Attachment numbers appear in parenthesis) Previous Question A.1, Items a-h worth 1 point each Yes = 8 No = 0 Needs Minor Improvement = 3-7 Needs Major Improvement = 2	8	7

a.	State Jurisdiction and agent status over gas facilities (1)	☒
b.	Total state inspection activity (2)	☒
c.	Gas facilities subject to state safety jurisdiction (3)	☒
d.	Gas pipeline incidents (4)	☐
e.	State compliance actions (5)	☒
f.	State record maintenance and reporting (6)	☒
g.	State employees directly involved in the gas pipeline safety program (7)	☒
h.	State compliance with Federal requirements (8)	☒

SLR Notes:

A.1 IMPROVEMENT NEEDED 7 points; D. 3 significant incidents were not reported on Attachment 4; #20090072, NRC 903371, Panther Pipeline, 4/21/09; #20090058, NRC 904121, ATMOS Pipeline, 4/29/09; 20090106, NRC 908572, ATMOS Energy, 6/15/09. All other information appeared to be correct.

2	Did the state have an adequate mechanism to receive operator reporting of incidents to ensure state compliance with 60105(a) Certification/60106(a) Agreement requirements (fatality, injury requiring hospitalization, property damage exceeding $50,000 - Mechanism should include receiving "after hours" reports)? (Chapter 6) Previous Question A.2 Yes = 1 No = 0	1	1

SLR Notes:

A.2. RRC meets the Federal reporting requirements. However with the new online damage reporting system, all damages to pipelines are reported regardless of value. Therefore the $5000 requirement was raised to match the Fed $50K requirement for telephonics effective March 2009.

3	Has the state held a pipeline safety TQ seminar(s) in the last 3 years? (NOTE: Indicate date of last seminar or if state requested seminar, but T&Q could not provide, indicate date of state request for seminar. Seminars must be held at least once every 3 calendar years.) (Chapter 8.5) Previous Question A.4 Yes = 2 No = 0	2	2

SLR Notes:

A.3. Yes, in June 2006, October 2007, with Louisiana in July, 2008, with Louisiana in July 2009, in Corpus Christi in June, 2010, & with LA & MS in July, 2010. The new practice is to request a seminar every year.

4	Were pipeline safety program files well-organized and accessible?(NOTE: This also includes electronic files) (Chapter 5) Previous Question A.5 Yes = 1 No = 0	1	1

SLR Notes:

A.4. Yes, the paper files are in the Safety Division area.

5	Did state records and discussions with the state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? (Chapter 4.1, Chapter 8.1) Previous Question A.6 Yes = 2 No = 0 Needs Improvement = 1	2	2

SLR Notes:

A.5. Yes, The Program Manager & the records review show a professional knowledge of the regulations.

6	Did the state respond in writing within 60 days to the requested items in the Chairman's letter following the Region's last program evaluation? (No response is necessary if no items are requested in letter and mark "Yes") (Chapter 8.1) Previous Question A.8 Yes = 1 No = 0	1	1

SLR Notes:

A.6. Yes - A response to the Chairman letter was not required last year.

7	What actions, if necessary, did the State initiate as a result of issues raised in the Chairperson's letter from the previous year? Did actions correct or address deficiencies from previous year's evaluation? (No response is necessary if no items are requested in letter and mark "Yes") (Chapter 8.1) Previous Question A.8/A.9	1	1

Yes = 1 No = 0

SLR Notes:

A.7. Yes - RRC is continuing to improve its data base quality assurance such that reports will be more correct.

Personnel and Qualifications

8 Has each inspector fulfilled the 3 year TQ training requirement? If No, has the state been granted a waiver regarding TQ courses by the Associate Administrator for Pipeline Safety? (NOTE: If the State has new inspectors who have not attended all TQ courses, but are in a program which will achieve the completion of all applicable courses within 3 years of taking first course (5 years to sucessfully complete), or if a waiver has been granted by the applicable Region Director for the state, please answer yes.) (Chapter 4.4) Previous Question A.10

3 3

Yes = 3 No = 0

SLR Notes:

A.8. Yes, all inspectors with 3+ years of service have attended all T&Q core courses or are on the waiting list, and the new inspectors are taking courses and are scheduled for the rest.

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9 Brief Description of Non-TQ training Activities:

Info Only Info Only

Info Only = No Points

For State Personnel:
A.9. State- all Inspectors are HAZWOPER certified and defensive driving trained. About half of the inspectors are H2S certified. In 2008 all employees attended the Anger Management and conflict in the Workplace 2 day seminar. All also attended a 1 day media training. In 2009, all hands took or renewed their HAZWOPER, and received instruction in using the new 'PEZ' database. In 2010 an All Hands meeting will focus in accident investigation and DIMP.

For Operators:
Operators ? training in PS 95 reporting of leak repairs (state requirement & state database), GIMP & DIMP training, and damage prevention program.

For Non-Operator Entities/Parties, Information Dissemination, Public Meetings:
Non-operator/public - the public was invited to the Damage prevention enforcement sessions.

SLR Notes:

A.9. State- all Inspectors are HAZWOPER certified and defensive driving trained. About half of the inspectors are H2S certified. In 2008 all employees attended the Anger Management and conflict in the Workplace 2 day seminar. All also attended a 1 day media training. In 2009, all hands took or renewed their HAZWOPER, and received instruction in using the new 'PEZ' database. In 2010 an All Hands meeting will focus in accident investigation and DIMP.
Operators ? training in PS 95 reporting of leak repairs (state requirement & state database), GIMP & DIMP training, and damage prevention program.
Non-operator/public - the public was invited to the Damage prevention enforcement sessions.

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10 Did the lead inspectors complete all required T&Q OQ courses and Computer Based Training (CBT) before conducting OQ Inspections? (Chapter 4.4.1) Previous Question A.12

1 1

Yes = 1 No = 0

SLR Notes:

A.10. Yes. Russell Pesek (TSI 299 12/03) is the OQ Lead. All inspectors with 3+ years are OQ certified.

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11 Did the lead inspectors complete all required TQ Integrity Management (IMP) Courses/Seminars and CBT before conducting IMP Inspections? (Chapter 4.4.1) Previous Question A.13

1 1

Yes = 1 No = 0

SLR Notes:

A.11. Yes. IMP Leads are Rickenson Daniel (TSI 297 6/05, TSI 294 9/07, CBT are completed); and Randy Vaughn (T&Q 297 8/01, T&Q 294 4/09, CBT are completed).

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12 Was the ratio acceptable of Total inspection Person-days to Total Person-days charged to the program by state inspectors? (Region Director may modify points for just cause) (Chapter 4.3) Previous Question B.12

5 5

Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):
2768.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 20.12 = 4425.67

Ratio: A / B
2768.00 / 4425.67 = 0.63

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

SLR Notes:

A.12. A=3450 person days. B=20.12 man years * 220 = 4426.4 person days. A/B= .7794 .7794>.38, okay.

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13 Have there been modifications or proposed changes to inspector-staffing levels? (If yes, describe) Previous Question B.13 — Info Only — Info Only

Info Only = No Points

SLR Notes:

A.13. Yes, In 2007 had 25 positions (Gas & Haz Liquid), with about 20 people for 2007. In 2008 they averaged 23 people. They asked for 9 more positions, 5 for damage prevention and 4 for pipeline safety in the January 2009 Legislative Session, and emergency funding to be able to hire one before Sept, 2009. The legislature approved 11.5 FTE effective Sept, 2009, and an additional FTE was approved for immediate hire (Feb, 2009). As of Aug 24th, they have 25 inspectors on staff, and, effective Sept 1, 2009, are approved for 5 more pipeline safety inspectors plus 5 more Damage Prevention FTEs. Staffing at the end of 2009 was 31 positions with 30 inspectors on staff plus 12 Damage Prevention personnel.

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14 Part-A General Comments/Regional Observations — Info Only — Info Only

Info Only = No Points

SLR Notes:

A.14. In 2009, the leak survey, leak grading, and leak repairs became effective for all distribution operators in Texas. The first filing of the PS-95, leak repair data was filed in July 2009, followed by the second filing ending December 31, 2009. Based on the data received the pipeline safety staff began working on a risk based model to require the replacement of steel service lines in the State. At this time, the rule has been expanded to include a risk based replacement schedule for the greatest risks in distribution systems. The proposed rule is to compliment the federal DIMP program that becomes effective August 2011.

Additionally, Pipeline Safety staff spent considerable time to recruit the additional eleven positions added to the program. A total of five pipeline safety inspectors were added and hired by the end of 2009, and the damage prevention enforcement program increased their staff by 5 positions.

This year the Commission is undergoing the Sunset Review by the legislature and the Pipeline Safety program is sharing data regarding the operation and effectiveness of the program. A copy of the self evaluation report indicates the Commission is seeking authority to implement the damage prevention enforcement rules over interstate pipelines as well as the intrastate pipelines already covered.

The second phase of the Pipeline Evaluation system PES was rolled out and the accident data base was delivered in February 2010.

Total points scored for this section: 25

Total possible points for this section: 26

PART B - Inspections and Compliance - Procedures/Records/ Performance

Points(MAX) **Score**

Inspection Procedures

1 Does the State have a written inspection plan to complete the following? (all types of operators including LNG) (Chapter 5.1) Previous Question B.1 + Chapter 5 Changes + Incorporate LNG — 6.5 — 6.5

Yes = 6.5 No = 0 Needs Improvement = 50% Deduction

a	Standard Inspections (Including LNG) (Max points = 2)	Yes ◉	No ○	Needs Improvement ○
b	IMP Inspections (Including DIMP) (Max points = .5)	Yes ◉	No ○	Needs Improvement ○
c	OQ Inspections (Max points = .5)	Yes ◉	No ○	Needs Improvement ○
d	Damage Prevention (Max points = .5)	Yes ◉	No ○	Needs Improvement ○
e	On-Site Operator Training (Max points = .5)	Yes ◉	No ○	Needs Improvement ○
f	Construction Inspections (Max points = .5)	Yes ◉	No ○	Needs Improvement ○
g	Incident/Accident Investigations (Max points = 1)	Yes ◉	No ○	Needs Improvement ○
h	Compliance Follow-up (Max points = 1)	Yes ◉	No ○	Needs Improvement ○

SLR Notes:

B.1. Yes, the procedure manual is best described as a collection of letters of direction. Std, IMP, OQ, Damage Prevention, On-Site operator Training, Constr, incident/accident, Compliance follow-up, & Specialized for Distr, transmission, Haz Liq, & Master Meter are all addressed. IMP-see TX 16 TAC 8.101; OQ-see SOP 16 B, Damage Prevention- as part of Std Insp; On-Site Training-see SOP 22 B & Form PS 55; Constr Insp- see SOP 24 B & TX 16 TAC 8.115; Acc.Inc-see SOP 20 B & SOP 24 hr Emergency Line and Performing On-Call Duties; Compliance Follow-up ? PEZ guidelines, Appendix A (Work in Progress through Closed), Appendix B, & Appendix C. LNG is not addressed because there is no State jurisdictional LNG facility. A procedures revision has been on-going for the last 2 years.

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2 Did the written Procedures for selecting operators adequately address key concerns? (Chapter 5.1) Previous Question B.2, items a-d are worth .5 point each — 2 — 2

Yes = 2 No = 0 Needs Improvement = 50% Deduction

a	Length of time since last inspection	Yes ◉	No ○	Needs Improvement ○
b	History of Operator/unit and/or location (including leakage , incident and compliance history)	Yes ◉	No ○	Needs Improvement ○
c	Type of activity being undertaken by operator (construction etc)	Yes ◉	No ○	Needs Improvement ○
d	For large operators, rotation of locations inspected	Yes ◉	No ○	Needs Improvement ○

SLR Notes:

B.2. Items a,b,c, & d are all found in Risk Factors for Pipeline Safety Work Plan & the letters of direction. Std-3 yr, Master Meters-5 yr, OQ-5yr, O&M-5 yr, IMP-5 yr, Damage Prevention addressed within a Std & an O&M.

Inspection Performance

3 Did the state inspect all types of operators and inspection units in accordance with time intervals established in its written procedures? (Chapter 5.1) Previous Question B.3 — 2 — 2

Yes = 2 No = 0

SLR Notes:

B.3. Yes, Units are being inspected in accordance with the Procedures and performance measures. Units are tracked through a data base which flags Systems (a part of a Unit). In January, the data base prints out all systems that must be inspected in that calendar year. In the event a System is overdue, It is flagged as a 'top of the list' ultra high priority. If it is due in that year, it is flagged as a priority 1.

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4 Did the state inspection form cover all applicable code requirements addressed on the Federal Inspection forms? (Chapter 5.1 (3)) Previous Question B.4 — 1 — 1

Yes = 1 No = 0

SLR Notes:

B.4 Yes, RCC uses the Federal Forms for IMP, OQ, Accident, & Drug testing. The Texas accident and construction forms are better than the Federal Forms and they are used in addition to the Federal Forms. The Texas Std Insp Form is slightly less detailed than the Federal Form, & is used for special inspections. Starting in 2007, the RRC started using the Federal Std Insp Form once per Operator per Region once every three years.

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5 Did state complete all applicable portions of inspection forms? (Chapter 5.1 (3)) Previous Question B.5 — 1 — 1

Yes = 1 No = 0

SLR Notes:

B.5. Yes. Checked OQ, Std, & IMP inspections. NA items are now being explained on the Standard Inspection Form.

6 Did the state initiate appropriate follow-up actions to Safety Related Condition Reports? (Chapter 6.3) Previous Question B.6 — .5 — .5
Yes = .5 No = 0

SLR Notes:

B.6. Yes, in 2008, SRCR were tracked by Kendall Smith, an Engineering Specialist, & updates were sent to the Feds. In 2009 SRCR were passed to David Flores, Deputy Director, effective 7/1/09.

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7 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) Previous Question B.7 — .5 — .5
Yes = .5 No = 0

SLR Notes:

B.7. Yes, It is part of the States' distribution Insp form. The only Operator with significant amounts of cast iron is Atmos Energy in the DFW area. There is also a pending Rule named 'Distributation Facility Replacements' that addressesd Cast Iron among several risk factors.

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8 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) Previous Question B.8 — .5 — .5
Yes = .5 No = 0

SLR Notes:

B.8. Yes, It is part of the States' distribution Insp form. The only Operator with significant amounts of cast iron is Atmos Energy in the DFW area. There is also a pending Rule named 'Distributation Facility Replacements' that addressesd Cast Iron among several risk factors.

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9 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) Previous Question B.9 — .5 — .5
Yes = .5 No = 0

SLR Notes:

B.9. Yes, it is addressed in the Federal Pipeline Failure Investigation Report under 'Gas Migration Survey' on page 9 (Form 11 revised 03/17/06), & is on the State Evaluation checklist.

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10 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? (NTSB) Previous Question B.10 — 1 — 1
Yes = 1 No = 0

SLR Notes:

B.10. Yes it is on the Std Insp Pre-evaluation checklist, and is reviewed prior to every Std Insp.

Compliance - 60105(a) States

11 Did the state adequately document sufficient information on probable violations? (Chapter 5.2) Previous Question B.14 — 1 — 1
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

B.11. Yes, the inspections reports and the violation letter are kept together as one document. Filing is done by inspection. Records are retained at 4 years plus current.

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12 Does the state have written procedures to identify the steps to be taken from the discovery to the resolution of a probable violation as specified in the "Guidelines for State Participating in the Pipeline Safety Program"? (Chapter 5.1) Previous Question D(1).1 — 1 — 1
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

B.12. Yes, in the procedures, see Pipeline Evaluation System (PES) Appendices A, B, & C. Also letter dated August 10, 1994, memo dated May 10, 1990 & memo dated April 1, 1990. Also the new Procedures Manual is approaching completion. This information will be in the Pipeline Technical section.

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13 Does the state have written procedures to notify an operator when a noncompliance is identified as specified in the "Guidelines for States Participating in the Pipeline Safety Program"? (Chapter 5.1(4)) Previous Question D (1).2 — 1 — 1
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

B.13. Yes, in the procedures. See PES Appendix D & the violation form letter.

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14 Does the state have a written procedure for routinely reviewing the progress of compliance actions to prevent delays or breakdowns of the enforcement process, as required by the "Guidelines for States Participating in the Pipeline Safety Program"? (Chapter 5.1(5)) Previous Question D(1).3 — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

B.14. Yes. Progress is tracked using a data-base to avoid delays in the enforcement process. A tracking report is automatically generated every week.

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15 Has the State issued compliance actions for all probable violations discovered? (Note : PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation) Previous Question D(1).4 — 1 — 1

Yes = 1 No = 0

SLR Notes:

B.15. Yes, all probable violations are addressed in writing per Standard Procedures (SOP). In addition the violation counts are found in the Gas Certification, attachment 5 summary page.

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16 Did the state follow its written procedures for reviewing compliance actions and follow-up to determine that prompt corrective actions were taken by operators, within the time frames established by the procedures and compliance correspondence, as required by the "Guidelines for States Participating in the Pipeline Safety Program"? Previous Question D(1).5 — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

B.16. Yes, RRC requires a Plan of Correction (POC) from the Operator, the POC is reviewed using a Review of Operator Correspondence Form. The Operator Correspondence Form is used to guarantee full compliance. Starting in 2009, the on-line reporting system started being used for compliance reporting procedures.

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17 If compliance could not be established by other means, did state pipeline safety program staff request formal action, such as a "Show Cause Hearing" to correct pipeline safety violations? (check each states enforcement procedures) Previous Question D(1).6 — 1 — 1

No = 0 Yes = 1

SLR Notes:

B.17. Yes, there were some legal enforcement actions in 2009, resulting in $94,656 assessed and $94,656 in collected administrative penalties. Damage Prevention fines were $973,895 total in 2009.

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18 Did the state adequately document the resolution of probable violations? (Chapter 5.1 (6)) Previous Question D(1).7 — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

B.18. Yes, the Violation letter & Operator response are placed in the Inspection file, & if the operator response is sufficient, the violation is closed by the appropriate Agency within the RRC.

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19 Were compliance actions sent to a company officer? (manager or board member if municipal/government system) (Chapter 5.1(4)) Previous Question D(1).8 — .5 — .5

Yes = .5 No = 0

SLR Notes:

B.19. Yes, in the case of some Master Meters & municipal; systems, two letters will be sent, one to the Owner / Mayor, and the other to the Operating Manager.

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20 Did the compliance proceedings give reasonable due process to all parties? (check each states enforcement procedures) Previous Question D(1).9 — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

B.20. Yes, due process is afforded all & is stated in the violation letters.

Compliance - 60106(a) States

21 Did the state use the current federal inspection form(s)? Previous Question D(2).1 — 1 — NA

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

B.21-26. NA. Not 60106(a).

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22 Are results adequately documented demonstrating inspection units were reviewed in accordance with state inspection plan? Previous Question D(2).2 — 1 — NA

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

B.21-26. NA. Not 60106(a).

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23 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.) Previous Question D(2).3 — 1 — NA

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

B.21-26. NA. Not 60106(a).

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24 Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? Previous Question D(2).4 — 1 — NA

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

B.21-26. NA. Not 60106(a).

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25 Did the state give written notice to PHMSA within 60 days of all probable violations found? Previous Question D(2).5 — 1 — NA

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

B.21-26. NA. Not 60106(a).

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26 Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? Previous Question D(2).6 — 1 — NA

Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

B.21-26. NA. Not 60106(a).

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27 Part B: General Comments/Regional Observations — Info Only — Info Only

Info Only = No Points

SLR Notes:

B.27. The Pipeline Evaluation System (PES) is in its second year of operation, and has moved to Phase II to include more online data entry forms and details on accidents and incidents. For the distribution operations, the Leak Repair Data Form (PS-95) was fully implemented and operators completed two filings for CY2009. As a result of data filed, Commission staff have proposed a distribution facility replacement program to manage the issues identified through the leak repair data reports. The Safety Division was awarded 4 additional field positions and one deputy director position during the legislative session of 2009, and an additional field person was added as a result of a reorganization. Personnel training and qualification continue to be an area of focus as the staff has just recently reached the full complement of 31 field inspectors. Damage prevention has grown to 10 staff with 5 additional approved. The two year total of fines for damage prevention has grown to $1.5 MM, and the fines will continue in the $50 to $250 range until 2011 at least. Construction in the Barnett Shale continues to be active and a new play called the Eagleford Shale in South Texas (about 70 miles SW of San Antonio) has just recently become active.

Total points scored for this section: 25

Total possible points for this section: 25

PART C - Interstate Agent States

		Points(MAX)	Score
1	Did the state use the current federal inspection form(s)? Previous Question D(3).1 Yes = 1 No = 0 Needs Improvement = .5	1	NA

SLR Notes:

C.1-8. NA. Not an Interstate Agent.

2	Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? Previous Question D(3).2 Yes = 1 No = 0 Needs Improvement = .5	1	NA

SLR Notes:

C.1-8. NA. 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? Previous Question D(3).3 Yes = 1 No = 0	1	NA

SLR Notes:

C.1-8. NA. Not an Interstate Agent.

4	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.) Previous Question D(3).4 Yes = 1 No = 0	1	NA

SLR Notes:

C.1-8. NA. 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? Previous Question D(3).5 Yes = 1 No = 0 Needs Improvement = .5	1	NA

SLR Notes:

C.1-8. NA. Not an Interstate Agent.

6	Did the state give written notice to PHMSA within 60 days of all probable violations found? Previous Question D(3).6 Yes = 1 No = 0	1	NA

SLR Notes:

C.1-8. NA. Not an Interstate Agent.

7	Did the state initially submit documentation to support compliance action by PHMSA on probable violations? Previous Question D(3).7 Yes = 1 No = 0 Needs Improvement = .5	1	NA

SLR Notes:

C.1-8. NA. Not an Interstate Agent.

8	Part C: General Comments/Regional Observations Info Only = No Points	Info Only	Info Only

SLR Notes:

C.1-8. NA. Not an Interstate Agent.

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

PART D - Incident Investigations

		Points(MAX)	Score
1	Are state personnel following the procedures for Federal/State cooperation in case of an incident? (See Appendix in "Guidelines for States Participating in the Pipeline Safety Program") (Chapter 6.1) Previous Question E.1 Yes = 1 No = 0 Needs Improvement = .5	1	1

SLR Notes:

D.1. Yes. Appendix C specifies 1. Determine if safety violations occurred. 2. Determine root causes of the accident if asked by NTSB. 3. Cooperate with NTSB.

2	Are state personnel familiar with the jurisdictional authority and Memorandum of Understanding between NTSB and PHMSA? (See Appendix in "Guidelines for States Participating in the Pipeline Safety Program") (Chapter 6 ? Appendix D) Previous Question E.2 Yes = .5 No = 0	.5	.5

SLR Notes:

D.2. Yes, the MOU between NTSB and OPS is understood, and RRC fully cooperates with NTSB.

3	Did the state keep adequate records of incident notifications received? Previous Question E.3 Yes = 1 No = 0 Needs Improvement = .5	1	1

SLR Notes:

D.3. Yes, 24 investigations, 27 reports, 149 phone calls. RRC has a full time employee to keep track of incident notifications. Also have an after hours answering service.

4	If an onsite investigation of an incident was not made, did the state obtain sufficient information by other means to determine the facts and support the decision not to go on-site? Previous Question E.4 Yes = 1 No = 0 Needs Improvement = .5	1	1

SLR Notes:

D.4. Yes, See Form PS-2. All incidents are checked by phone, and determination is made for an on-site visit. All of the Federally reportable incidents that the RRC was notified about had a field visit.

5	Were investigations thorough and conclusions and recommendations documented in an acceptable manner? Previous Question E.5, comprehensive question worth 2 points total Yes = 2 No = 0 Needs Improvement = 1	2	2

a.	Observations and Document Review	Yes ◉	No ○	Needs Improvement ○
b.	Contributing Factors	Yes ◉	No ○	Needs Improvement ○
c.	Recommendations to prevent recurrences where appropriate	Yes ◉	No ○	Needs Improvement ○

SLR Notes:

D.5. Yes, RRC uses its Form PS-55 for incident investigations, and supplement with Federal Form 11. The events are documented and Appendix C is followed. Including findings of fact, probable cause, and determine if Regulations were followed.

6	Did the state initiate enforcement action for violations found during any incident investigation(s)? Previous Question E.6 Variation Yes = 1 No = 0 Needs Improvement = .5	1	1

SLR Notes:

D.6. Yes, some violations were found. When violations are found, a violation letter is generated and follow up is done. Civil penalties are assessed when appropriate.

7	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 annual report data from operators concerning incidents/accidents and investigate discrepancies) (Chapter 6) Previous Question E.7/E.8 Yes = .5 No = 0	.5	0.5

SLR Notes:

D.7. Yes, the Safety Division has almost daily contact with PHMSA SW Region and DC to ensure that incident reports are accurate & updated. The reports are reviewed for completeness & to ensure that a final report is submitted. Corrective Action Orders are considered.

8	Part D: General Comments/Regional Observations Info Only = No Points	Info Only	Info Only

SLR Notes:

D.8. Incidents continue to be a highly visible issue for the Commission. The Commission has designed a system to be tied into the PES system and became

active in February 2010. Additionally, both pipeline operators and excavators started using the on-line damage prevention accident reporting program. One-call enforcement generated nearly $1MM in revenues at $50-$250 fines at a time. The Commission has seen a reduction of the number of 3rd party hits in 2009. The Commission has adopted rules for distribution operators for leak survey, leak grading, and leak reporting to help find leaks and repair them prior to the incident. Also, the Commission is proposing rules to require distribution facility replacements to complement the federal DIMP efforts.

Total points scored for this section: 7

Total possible points for this section: 7

PART E - Damage Prevention Initiatives

		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? Previous Question B.11 Yes = 2 No = 0 Needs Improvement = 1	2	2

SLR Notes:

E.1. Yes, Texas is very aware of this and has investigated incidents/accidents related to boring. This is a priority review with Texas, it is on Texas' insp check list & is part of the Third Party Damage Review (DIRT).

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? New 2008 Yes = 2 No = 0	2	2

SLR Notes:

E.2. Yes, The Operator has to self report its excavation plans and results into the Texas on-line reporting system it and includes line marking and One-call. These reports are verified during Std and Damage prevention inspections.

3	Did the state encourage and promote the adoption of the Common Ground Alliance Best Practices document to its regulated companies as a means of reducing damages to all underground facilities? Previous Question A.7 Yes = 2 No = 0 Needs Improvement = 1	2	2

SLR Notes:

E.3. Yes, RRC participated in several damage prevention seminars, & a new damage prevention rule extending authority over excavators was approved by the RRC on May 30, 2007, & it became effective on Sept 1st, 2007. At present, TX has a law that names several CGA best Practices, The RRC Regulation names 10 additional CGA best practices, and the Damage Prevention Program staff is very active in enforcing Damage Prevention. There is pending regulation to require that 10 additional CGA best practices be followed.

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? New 2008 Yes = 1 No = 0	1	1

SLR Notes:

E.4. Yes, The Damage Prevention Staff is getting the raw numbers of one-calls and line hits from One-call and the on-line reporting site, and is doing follow-up on almost every damage report that is filed. For CY 2009 the raw data shows 9,736 hits, 15,637 hit reports, and 1,677,282 one-calls.

5	Did the state review operators' records of accidents and failures due to excavation damage to ensure causes of failure are addressed to minimize the possibility of recurrence as required by 192.617? Yes = 2 No = 0	2	2

SLR Notes:

E.5. Yes, review of accident records and failure records to discover causes of failure is a major duty of the Damage Prevention Staff.

6	Part E: General Comments/Regional Observations Info Only = No Points	Info Only	Info Only

SLR Notes:

E.6. The TX damage prevention program is off to a great start, but there is much more that can and is being proposed to be done. The Commissioners are very supportive of this project and have requested staff to increase the base penalty amounts. Operator and excavator training, effective treatment of repeat offenders, and adoption of more Best Practices such as Ticket life, and ownership of the Dig ticket, are just some of the areas that need additional work. The Commission has added field staff dedicated to damage prevention, and the employees are in their field training at this time. It is anticipated by the end of the calendar year, the damage prevention field personnel will be conducting inspections that focus only on damage prevention and accident prevention.

Total points scored for this section: 9

Total possible points for this section: 9

PART F - Field Inspection

		Points(MAX)	Score
1	Operator, Inspector, Location, Date and PHMSA Representative Info Only = No Points	Info Only	Info Only

Name of Operator Inspected:
City Public Service Board (dba CPS Energy), opid 18104

Name of State Inspector(s) Observed:
Mr. Johnny Burgess, TRC Engr Spec 4

Location of Inspection:
613 Mission Road, San Antonio, TX 78210, South Gate Pipeline

Date of Inspection:
8/30-9/1/10

Name of PHMSA Representative:
Pat Gaume

SLR Notes:

F.1 City Public Service Board (dba CPS Energy), opid 18104
Mr. Johnny Burgess, TRC Engr Spec 4
613 Mission Road, San Antonio, TX 78210, South Gate Pipeline, 30", 47 Miles, from San Antonio to Karnes, Co TX
8/30-9/1/10
Pat Gaume

2	Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? New 2008 Yes = 1 No = 0	1	1

SLR Notes:

F.2 Yes, CPS was notified & 8 CPS personnel participated in the inspection.

3	Did the inspector use an acceptable inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) Previous Question F.2 Yes = 2 No = 0	2	2

SLR Notes:

F.3 Yes, used a computer based form based on the current Texas Transmission Evaluation Checklist. The Texas form is used twice out of every 3 inspections, and the Federal form is used once out of every 3 inspections.

4	Did the inspector thoroughly document results of the inspection? Previous Question F.3 Yes = 2 No = 0	2	2

SLR Notes:

F.4 Yes

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.) New 2008 Yes = 1 No = 0	1	1

SLR Notes:

F.5 Yes, multi-meter, half-cell, pressure relief testing machine w/N2 bottle & gauges, line locate equipment, pen type current indicator, locator flags, various tools, etc.

6	What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc) New 2008 Info Only = No Points	Info Only	Info Only

SLR Notes:

F.6 Special Texas Transmission Evaluation Inspection that covered most of the form. Also a Protocol 9 OQ Inspection of 4 covered tasks; rectifier, block valve, Line locate, & pressure monitor.

7	Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) New 2008, comprehensive question worth 2 points total Yes = 2 No = 0 Needs Improvement = 1	2	2

a. Procedures ☒

b. Records ☒

c.	Field Activities/Facilities	☒
d.	Other (Please Comment)	☒

SLR Notes:

F.7 Yes, this was a Texas Transmission Evaluation Inspection that covered most items on the Form except for some items that were recently inspected in April, 2010 or are clearly NA. The inspection included procedures, records, field, & OQ Protocol 9

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8 Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Liaison will document reasons if unacceptable) Previous Question F.8 — 2 — 2

Yes = 2 No = 0

SLR Notes:

F.8 Yes, Mr. Burgess demonstrated good and adequate knowledge of the pipeline safety program goals and regulations.

---

9 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) Previous Question F.10 — 1 — 1

Yes = 1 No = 0

SLR Notes:

F.9 Yes. He conducted a complete exit interview.

---

10 During the exit interview, did the inspector identify probable violations found during the inspections? Previous Question F.11 — 1 — 1

Yes = 1 No = 0

SLR Notes:

F.10 Yes, it was a good insection and he found items of advice: This Unit will add three stations to this Unit; (SE Gate tie-in), (Wilson Station) & (Karnes Station). Some minor inconsistencies between O&M and actual field practices; O&M did not allow for some minor pressure bleed through during a lock-up test, now it does. Found some minor surface rust. Directed that they will start capturing inst piping pressure relief maintenance data. They had some short bolts on some insulated flanges. Need some additional work on listing AOC for covered tasks. Noted that some insulating pads were walking off of the pipe supports and we all agreed it was a good question, (there was no metal to metal contact). Recommended rock shield be used at the air-soil interface at the stations as they have large sharp gravel at those locations.

---

11 What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) — Info Only — Info Only

Info Only = No Points

SLR Notes:

F.11 Mr. Burgess observed signs, locks, site security, valve actuation, atmospheric corrosion, air/soil interface, pipe supports, pipe insulation, insulating kits, grounding wires to address stray AC current, pig trap assembly, pig trap safety equipment, operating pressure, MAOP, instrument piping, monitor-actuator valve actuation, flange bolts and threads, flange rating, emergency phone number, rectifiers, rectifier safety in handling, CP readings, pipeline markers, ROW. He also monitored Protocol 9 OQ covered tasks of rectifier, block valve, Line locate, & pressure monitor.

---

12 Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) — Info Only — Info Only

Info Only = No Points

SLR Notes:

F.12 CPS Energy has adopted the use of a pen like device that lights up in the presence of an ac current. It is a nice quick check of rectifier boxes and to indicate ac stray currents on exposed piping.

---

13 Field Observation Areas Observed (check all that apply) — 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	☐

SLR Notes:

F.13 Yes, he checked the following in the field: b, e, g, i, k, l, m, q, s, v, x, B, D, G, & I. Also four protocol 9 inspections.

---

14 Part F: General Comments/Regional Observations — Info Only — Info Only

Info Only = No Points

SLR Notes:

F.14 Mr. Johnny Burgess was observed conducting a Texas Transmission Evaluation Inspection with Protocol 9 of a jurisdictional 30" Transmission Line in Bexar Co. TX. He observed procedures, records, field activities, and four Protocol 9 reviews. He conducted himself in a personable, competent, and professional manner.

Total points scored for this section: 12

Total possible points for this section: 12

PART G - PHMSA Initiatives - Strategic Plan

		Points(MAX)	Score

Risk base Inspections - Targeting High Risk Areas

1 Does state have process to identify high risk inspection units? — 1.5 — 1.5

Yes = 1.5 No = 0

Risk Factors (criteria) to consider may include:

Miles of HCA's, Geographic area, Population Density

Length of time since last inspection

History of Individual Operator units (leakage, incident and compliance history, etc.)

Threats - (Excavation Damage, Corrosion, Natural Forces, Other Outside Forces, Material or Welds, Equipment, Operations, Other)

SLR Notes:

G.1. Yes, population density, time since last inspection, leakage history, compliance history, product transported, and material are considered.

---

2 Are inspection units broken down appropriately? (see definitions in Guidelines) — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

G.2. Yes. They use Operator, Unit, and System, and are consistent with the guidelines.

---

3 Consideration of operators DIMP Plan? (if available and pending rulemaking) — Info Only — Info Only

Info Only = No Points

SLR Notes:

G.3. Yes, TRRC is prepared to start DIMP Inspections when it becomes effective.

---

4 Does state inspection process target high risk areas? — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

G.4. Yes, Units with High risk indicators are moved into Priority 1.

Use of Data to Help Drive Program Priority and Inspections

5 Does state use data to analyze effectiveness of damage prevention efforts in the state? (DIRT or other data, etc) — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

G.5. Yes, TRRC was an early user of DIRT, & has their own version of Virtual DIRT.

---

6 Has state reviewed data on Operator Annual reports for accuracy? — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

G.6. Yes. It is compared against the Operator's pipeline permit, the Federal Operator ID, and against PES.

---

7 Has state analyzed annual report data for trends and operator issues? — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

G.7. Yes. It is used to track leak reports, unaccounted for losses, and histories.

---

8 Has state reviewed data on Incident/Accident reports for accuracy? — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

G.8. Yes. A pet peeve is when an Operator leaves 'under investigation' as the cause of accident for more than 2 years.

---

9 Does state do evaluation of effectiveness of program based on data? (i.e. performance measures, trends, etc.) .5 0.5

Yes = .5 No = 0

SLR Notes:

G.9. Yes, the Damage Prevention Program Team is an example of a major effort here.

---

10 Did the State input all operator qualification inspection results into web based database provided by PHMSA in a timely manner upon completion of OQ inspections? Previous Question B.15 .5 0.5

Yes = .5 No = 0

SLR Notes:

G.10. Yes, all of the Standard and Protocol 9 OQ inspections for 2009 have been uploaded typically within 2 months of the inspection. Several protocol 9 inspections have been done in 2010.

---

11 Did the State submit their replies into the Integrity Management Database (IMDB) in response to the Operators notifications for their integrity management program? Previous Question B.16 .5 0.5

Yes = .5 No = 0

SLR Notes:

G.11. Yes. For both GIMP & LIMP.

---

12 Have the IMP Federal Protocol forms been uploaded to the IMDB? Previous Question B.17 .5 0.5

Yes = .5 No = 0

SLR Notes:

G.12. Yes. For both GIMP & LIMP.

---

13 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? Previous Question B.18 .5 0.5

Yes = .5 No = 0

SLR Notes:

G.13. RRC Safety Division requires an annual pipe inventory report and a plastic pipe failure report. Both reports can be entered on-line starting with the 2006 reports.

---

14 Has state confirmed transmission operators have submitted information into National Pipeline Mapping System (NPMS) database along with any changes made after original submission? .5 0.5

Yes = .5 No = 0

SLR Notes:

G.14. Yes, NPMS updates are linked with the annual pipeline permit renewals.

Accident/Incident Investigation Learning and Sharing Lessons Learned

15 Has state shared lessons learned from incidents/accidents? (i.e. NAPSR meetings and communications) .5 0.5

Yes = .5 No = 0

SLR Notes:

G.15. Yes, the White paper report on non-restraint compression couplings, and Third party hit reports, and the PPAAHC Forum (plastic pipe ad hoc advisory committee).

---

16 Does the State support data gathering efforts concerning accidents? (Frequency/Consequence/etc) .5 0.5

Yes = .5 No = 0

SLR Notes:

G.16. Yes, through DIRT, Damage Prevention, One-call, and On-line mandatory reporting.

---

17 Does state have incident/accident criteria for conducting root cause analysis? Info Only Info Only

Info Only = No Points

SLR Notes:

G.17. Yes, 192.617 demands it be done, and TRRC has sent several to the Root Cause Course, and that knowledge and new rule makings are influencing incident investigations toward increasingly complex Root Cause analysis.

---

18 Does state conduct root cause analysis on incidents/accidents in state? Info Only Info Only

Info Only = No Points

SLR Notes:

G.18. Yes, TRRC has sent several to the Root Cause Course, and that knowledge and new rule makings are influencing accident investigations toward increasingly complex Root Cause analysis.

---

19 Has state participated on root cause analysis training? (can also be on wait list) .5 0.5

Yes = .5 No = 0

SLR Notes:

G.19. Yes, TRRC has sent several to the Root Cause Course, and several inspectors are on class lists and the waiting list.

Transparency - Communication with Stakeholders

20 Other than pipeline safety seminar does State communicate with stakeholders? (Communicate program data, pub awareness, etc.) .5 0.5

Yes = .5 No = 0

SLR Notes:

G.20. Yes, through a well designed web site, numerous Damage Prevention Seminars, & periodic informational mail outs.

---

21 Does state share enforcement data with public? (Website, newsletters, docket access, etc.) .5 0.5

Yes = .5 No = 0

SLR Notes:

G.21. Yes, all records are public open records, and many can be accessed on-line.

---

22 Part G: General Comments/Regional Observations Info Only Info Only

Info Only = No Points

SLR Notes:

G.22. TRRC is a leader in data driven analysis, and in sharing that analysis with its partners and the public. The Commission continues to improve its processes and has plans to increase the transparency of the data with the general public and affected parties. The Damage Prevention portion of this project has been funded using SDPP grant funds and is now available online.

Total points scored for this section: 10

Total possible points for this section: 10

PART H - Miscellaneous

		Points(MAX)	Score
1	What were the major accomplishments for the year being evaluated? (Describe the accomplishments, NAPSR Activities and Participation, etc.) Yes = .5 No = 0	.5	0.5

SLR Notes:

H.1. Yes, Implemented leak survey, leak grading and leak repair rules, and started the on-line filing of leak repairs. Began working with an individual pipeline operator to identify risks within their distribution system resulting in specialized inspections to focus on leak survey and leak repairs. The Commission has launched a successful Damage Prevention Program with penalties and the program continues to grow. The agency has also gained support to complete the online inspection program as PHASE I drew to conclusion.

2	What legislative or program initiatives are taking place/planned in the state, past, present, and future? (Describe initiatives (i.e. damage prevention, jurisdiction/authority, compliance/administrative, etc.) Yes = .5 No = 0	.5	0.5

SLR Notes:

H.2. Yes, In 2009, the legislative session resulted in increased user fees, and an additional 11.5 FTE increase in staff. The Commission is currently undergoing their SUNSET review which reviews the entire program for continued existence. The review will be complete by the end of 2010.

3	Any Risk Reduction Accomplishments/Projects? (i.e. Cast iron replacement projects,bare steel,third-party damage reductions, etc.) Yes = .5 No = 0	.5	0.5

SLR Notes:

H.3. Yes, Compression coupling replacement, risked based leak survey model, and distribution facility replacements.

4	Did the state participate in/respond to surveys or information requests from NAPSR or PHMSA? Yes = 1 No = 0	1	1

SLR Notes:

H.4. Yes, TRRC is an active participant in NAPSR.

5	Sharing Best Practices with Other States - (General Program) Yes = .5 No = 0	.5	0.5

SLR Notes:

H.5. Yes, the Compressor Coupling Study, Shared the Damage Prevention program efforts, as well as the online leak repair data rule and online program.

6	Part H: General Comments/Regional Observations Info Only = No Points	Info Only	Info Only

SLR Notes:

H.6. Implemented leak survey, leak grading and leak repair rules, and started the on-line filing of leak repairs. Began working with an individual pipeline operator to identify risks within their distribution system resulting in specialized inspections to focus on leak survey and leak repairs. The Commission has launched a successful Damage Prevention Program with penalties and the program continues to grow. The agency has also gained support to complete the online inspection program as PHASE I drew to conclusion.

Total points scored for this section: 3

Total possible points for this section: 3

PART I - Program Initiatives

		Points(MAX)	Score

Drug and Alcohol Testing (49 CFR Part 199)

1 Has the state verified that operators have drug and alcohol testing programs? — 1 — 1

Yes = 1 No = 0

SLR Notes:

I.1. Yes, is part of every Std Insp.

---

2 Is the state verifying that operators are conducting the drug and alcohol tests required by the operators program (random, post-incident, etc.) — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

I.2. Yes, is part of every Std Insp.

---

3 Is the state verifying that any positive tests are responded to in accordance with the operator's program? — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

I.3. Yes, the Operators are checked to see if they are following their program.

Qualification of Pipeline Personnel (49 CFR Part 192 Subpart N)

4 Has the state verified that operators have a written qualification program? — 1 — 1

Yes = 1 No = 0

SLR Notes:

I.4. Yes, TRRC has OQ inspected every Operator and is in the process of Re-inspecting all Operators.

---

5 Has the state reviewed operator qualification programs for compliance with PHMSA rules and protocols? — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

I.5. Yes, the Federal protocols are followed.

---

6 Is the state verifying that persons who perform covered tasks for the operator are qualified in accordance with the operator's program? — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

I.6. Yes, OQ field Inspections are part of every Std Insp & every O&M Insp.

---

7 Is the state verifying that persons who perform covered task for the operator are requalified at the intervals specified in the operator's program? — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

I.7. Yes, it is included in the Federal protocols.

Gas Transmission Pipeline Integrity Management (49 CFR Part 192 Subpart O)

8 Has the state verified that all operators with transmission pipelines have either adopted an integrity management program (IMP), or have properly determined that one is not required? — 1 — 1

Yes = 1 No = 0

SLR Notes:

I.8. Yes, IMP protocol A is demanded of all Operators. Also, the State passed special rules for self reporting

---

9 Has the state verified that in determining whether a plan is required, the operator correctly calculated the potential impact radii and properly applied the definition of a high consequence area? — .5 — 0.5

Yes = .5 No = 0

SLR Notes:

I.9. Yes, the inspectors are properly trained, and they follow the federal protocols.

10 Has the state reviewed operator IMPs for compliance with Subpart O? (In accordance with State Inspection plan) .5 0.5

Yes = .5 No = 0

SLR Notes:

I.10. Yes, IMP is Subpart O and they follow the federal program.

---

11 Is the state monitoring operator progress on the inspections, tests and remedial actions required by the operator's IMP, including that they are being done in the manner and schedule called for in its IMP? .5 0.5

Yes = .5 No = 0

SLR Notes:

I.11. Yes, IMP follow-ups are being made and documented. Effective October 2008 the Operators are required to self-report on-line every 6 months.

---

12 Is the state verifying that operators are periodically examining their transmission line routes for the appearance of new HCAs? .5 0.5

Yes = .5 No = 0

SLR Notes:

I.12. Yes, TRRC is monitoring all Operators to confirm the 2012 deadline, and then will determine the re-inspection intervals. In addition State Inspectors have the capability to overlay NPMS pipeline data over Google earth and visually check for new HCA.

Public Awareness (49 CFR Section 192.616)

13 Has the state verified that each operator has developed a continuing public awareness program? (due date was 6/20/06 for most operators, 6/20/07 for certain very small operators,6/13/08 for master meters) .5 0.5

Yes = .5 No = 0

SLR Notes:

I.13. Yes, TRRC participated in the Clearing House activity, & has contacted every Operator. New Operators are being directed to develop public awareness plans.

---

14 Has the state reviewed the content of these programs for compliance with 192.616 (by participating in the Clearinghouse or by other means)? .5 0.5

Yes = .5 No = 0

SLR Notes:

I.14. Yes, in follow-up inspections related to the Clearing House activity.

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15 Is the state verifying that operators are conducting the public awareness activities called for in its program? .5 0.5

Yes = .5 No = 0

SLR Notes:

I.15. Yes, during every Std insp and O&M insp

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16 Is the state verifying that operators have evaluated their Public Awareness programs for effectiveness as described in RP1162? Info Only Info Only

Info Only = No Points

SLR Notes:

I.16. Yes, In 2009 the Operator's plans and performance measures were reviewed. Starting in 2010 the Operator's evaluations are being checked that they are being done. It will be at a future date that the effectiveness of the evaluations will be judged.

---

17 Part I: General Comments/Regional Observations Info Only Info Only

Info Only = No Points

SLR Notes:

I.17. TRRC is fully compliant with D&A, OQ, IMP, and Public Awareness Programs. It was involved in the development of the programs and fully supports them now. They are all regularly scheduled inspections.

Total points scored for this section: 9

Total possible points for this section: 9