1200 New Jersey Avenue SE
Washington DC 20590

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

2016 Gas State Program Evaluation

for

RAILROAD COMMISSION OF TEXAS

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: Texas
Agency Status:
Rating:
60105(a): Yes **60106(a):** No **Interstate Agent:** No
Date of Visit: 06/26/2017 - 07/21/2017
Agency Representative: Stephanie Weidman
PHMSA Representative: Michael Thompson
Commission Chairman to whom follow up letter is to be sent:

Name/Title: Christi Craddick, Chairman
Agency: Railroad Commission of Texas
Address: P.O. Box 12967
City/State/Zip: Austin, Texas 78711-2967

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 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 progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

The field inspection form used will allow different areas of emphasis to be considered for each question. Question 13 is provided for scoring field observation areas. In completing PART G, the PHMSA representative should include a written summary which thoroughly documents the inspection.

Scoring Summary

PARTS		Possible Points	Points Scored
A	Progress Report and Program Documentation Review	10	10
B	Program Inspection Procedures	13	13
C	Program Performance	49	45.5
D	Compliance Activities	15	15
E	Incident Investigations	11	11
F	Damage Prevention	8	8
G	Field Inspections	12	12
H	Interstate Agent State (If Applicable)	0	0
I	60106 Agreement State (If Applicable)	0	0
TOTALS		**118**	**114.5**
State Rating			**97.0**

PART A - Progress Report and Program Documentation Review

		Points(MAX)	Score
1	Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1 Yes = 1 No = 0 Needs Improvement = .5	1	1

Evaluator Notes:
PES tracks the number of operators and inspection unit data. Verified the number of operators and inspections in PES. No issues identified.

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

Evaluator Notes:
Reviewed PES database to verify Progress Report data. There was one day claimed as an interstate standard inspection which was incorrect. The inspection should've been for an intrastate inspection. TXRRC will contact Carrie Winslow to change the data. There is no point deduction because the Progress Report results will not change.

The number of DIMP inspections is incorrect. A programming error was not recognizing the DIMP person days which resulted in under reporting of inspection days. Need to submit supplemental report to Carrie Winslow.

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:
Reviewed the PES Database to verify the information in Attachment 3. Operator and Inspection units were accurate. No issues identified.

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

Evaluator Notes:
Reviewed incident reports and compared with PDM to assure all federally reportable incidents were investigated or reported to state.

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

Evaluator Notes:
Reviewed PES database to verify the number compliance actions reported in the Progress Report. The data seems to be accurate. There is a large number of probable violations being carried over from year to year. TX RRC needs to work on closing out the cases within a reasonable time.

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, all program files are kept electronically in PES. No issues identified.

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:
Reviewed employee training in SABA and with the RRC Database and no issued identified with the list.

---

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:

The TX RRC needs to take action to adopt changes or amendments to the rules and regulations. As of 3/6/2017 amendment 119 80 CFR 168 had not been adopted which was in affect on 3/6/2015.

---

9 List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The planned annual and long-term goals for the Railroad Commission's Pipeline Safety Program have been established as part of the agency's strategic plan. Each year the performance goals are reviewed and reported to the governor's office. The goal, objective, strategies, and performance measures for the Pipeline Safety Department have been established and accepted, as follows: Goal: Advance safety in the delivery and use of Texas petroleum products and in the operation of the Texas pipeline system through training, monitoring and enforcement, and promote, educate, and enforce regulations for underground damage prevention. The specific strategies under this goal are to improve safety in the pipeline industry and to support education and partnership initiatives to increase the overall awareness and effectiveness of damage prevention. The Commission has established performance measures, output and outcome measures, and efficiency measures to help gauge success in achieving this goal.

OBJECTIVE 2.1: Improve safety in the pipeline industry. Outcome Measure: -Average number of pipeline safety violations per equivalent 100 miles of pipe identified through inspections. STRATEGY 2.1.1: Pipeline Safety Ensure the safe operation of pipelines through permitting, field inspections, accident investigations, and emergency response. Output Measures: -Number of pipeline safety inspections performed. -Number of pipeline safety violations identified through inspections. -Number of pipeline accident investigations and special investigations performed. -Number of pipeline permits issued or renewed. Efficiency Measures: -Average number of pipeline field inspections per field inspector.

---

10 General Comments: — Info Only — Info Only

Info Only = No Points

Evaluator Notes:

A.2 - Reviewed PES database to verify Progress Report data. There was one day claimed as an interstate standard inspection which was incorrect. The inspection should've been for an intrastate inspection. TXRRC will contact Carrie Winslow to change the data. There is no point deduction because the Progress Report results will not change.

The number of DIMP inspections is incorrect. A programming error was not recognizing the DIMP person days which resulted in under reporting of inspection days. Need to submit supplemental report to Carrie Winslow.

A.8 - The TX RRC needs to take action to adopt changes or amendments to the rules and regulations. As of 3/6/2017 amendment 119 80 CFR 168 had not been adopted which was in affect on 3/6/2015.

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

PART B - Program Inspection Procedures

		Points(MAX)	Score
1	Standard Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. Yes = 2 No = 0 Needs Improvement = 1	2	2

Evaluator Notes:
Standard Operating Procedure (SOG) 3: Routine Comprehensive Evaluation
Procedures give guidance to the inspectors to perform standard inspections. Procedures include pre and post inspection procedures.

2	IMP and DIMP Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. Yes = 1 No = 0 Needs Improvement = .5	1	1

Evaluator Notes:
SOG 6.1 TIMP Procedures and SOG 6.2 DIMP Procedures give guidance to inspectors for performing IM inspections. Recommended to TX RRC that all inspectors have access to the PDM and utilize it to perform all pre inspection activities for all types of inspections. Also recommend to add additional language to SOG 6.2.2.1 for the use of Form 24 for DIMP for large operators.

3	OQ Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. Yes = 1 No = 0 Needs Improvement = .5	1	1

Evaluator Notes:
SOG 6.3 has OQ Inspection procedures which has details for performing OQ inspections. OQ inspections are proposed to be on a five year inspection cycle.

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

Evaluator Notes:
SOG 6.7 has details for Damage Prevention Inspections. Procedures give guidance to state inspectors that insure consistency in all inspections conducted by the state addressing pre-inspection activities, inspection activities, and post-inspection activities.
Jim Ousterhaus is new supervisor for Damage Prevention Section of RRC. Damage Prevention has 7 employees.

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

Evaluator Notes:
SOG Section 5 as Operator Training Procedures for performing operator training. Procedures had detail on how to perform and document operator training. Had a training session during their Pipeline Safety Seminar along with the Texas Gas Association.

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

Evaluator Notes:

SOG 6.6 New Construction Evaluation has procedure for conducting new construction inspections. TAX 8.115 is Texas law that requires operators to report any new construction 30 days prior to constructing more than 1 mile of pipe. Law is changing to 60 day notice and .1 miles of new pipe. The New Construction Lead Inspector must successfully complete required TQ courses prior to conducting any new construction inspections. This person should lead the evaluation with the assistance of other participating team members, if a team is utilized, and is to remain present during the duration of the evaluation.

---

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

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

a. Length of time since last inspection (Within five year interval)	Yes ◉	No ○	Needs Improvement ○
b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)	Yes ◉	No ○	Needs Improvement ○
c. Type of activity being undertaken by operators (i.e. construction)	Yes ◉	No ○	Needs Improvement ○
d. Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc)	Yes ◉	No ○	Needs Improvement ○
e. Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors)	Yes ◉	No ○	Needs Improvement ○
f. Are inspection units broken down appropriately?	Yes ◉	No ○	Needs Improvement ○

Evaluator Notes:

a. Inspection intervals are at 5 year intervals.
b. Operating history is included in their unit inspection risk ranking
c. Procedures include activities undertaken by operator.
d. HCA's and population are part of the unit risk ranking.
e. SOG 3 was amended last year to include the tracking of incidents and causes which include Excavation damage. corrosion, natural outside forces, material and welds, equipment, operators and other factors.
f. Units are broken down mostly by operating area for Distribution and by mileage for Transmission.
e. SOG 3 includes the tracking of incidents and causes which include Excavation damage. corrosion, natural outside forces, material and welds, equipment, operators and other factors.

---

8 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

Recommended to TX RRC that all inspectors have access to the PDM and utilize it to perform all pre inspection activities for all types of inspections. Also recommend to add additional language to SOG 6.2.2.1 for the use of Form 24 for DIMP for large operators.

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 Yes = 5 No = 0	5	5

A. Total Inspection Person Days (Attachment 2):
4844.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 24.42 = 5372.40

Ratio: A / B
4844.00 / 5372.40 = 0.90

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

Evaluator Notes:
Total ratio of total number of inspection person days to total person days met the requirements.

		Points(MAX)	Score
2	Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 Yes = 5 No = 0 Needs Improvement = 1-4	5	5

a.	Completion of Required OQ Training before conducting inspection as lead?	Yes ◉	No ○ Needs Improvement ○
b.	Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013	Yes ◉	No ○ Needs Improvement ○
c.	Root Cause Training by at least one inspector/program manager	Yes ◉	No ○ Needs Improvement ○
d.	Note any outside training completed	Yes ◉	No ○ Needs Improvement ○
e.	Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector.	Yes ◉	No ○ Needs Improvement ○

Evaluator Notes:
a.The RRC has an in house training program for each new inspector. Each inspector goes through the training for at least 6 months. They accompany another seasoned inspector during the inspections to obtain on the job training. Joey Bass is the training coordinator who monitors each inspectors progress while they are in training. When the inspector is knowledgeable of the pipeline safety program he/she is checked out by an inspector and verified by the Program Manager. The inspectors also attend the required T&Q courses within 3 years.
b. Reviewed DIMP/IMP inspections and found that all lead inspectors were qualified. Checked qualifications with SABA database.
c. There are several inspectors that have taken the Root Cause training course.
d. The RRC has an in house training program which is very lengthy so outside training is not attended. Due to travel funds outside training is limited.
e. The RRC has an in house training program for each new inspector. Each inspector goes through the training for atleast 6 months. They accompany another seasoned inspector during the inspections to obtain on the job training. Joey Bass is the training coordinator who monitors each inspectors progress while they are in training. When the inspector is knowledgeable of the pipeline safety program he/she is checked out by an inspector and verified by the Program Manager. The inspectors also attend the required T&Q courses within 3 years.

		Points(MAX)	Score
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 Yes = 2 No = 0 Needs Improvement = 1	2	2

Evaluator Notes:
Yes. In reviewing Stephanie Weidman's training and discussions she is very knowledgeable of the PHMSA program and regulations.

		Points(MAX)	Score
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 Yes = 2 No = 0 Needs Improvement = 1	2	2

Evaluator Notes:

Yes, the response was received within 60 days.

---

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

Evaluator Notes:
Yes, September 12-16, 2016 was the last seminar.

---

6 Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 — 5 — 3
Yes = 5 No = 0 Needs Improvement = 1-4

Evaluator Notes:
The TX RRC is not complying with their procedures in inspecting units within the time intervals established. The main issue is the time intervals between specialized inspections (OQ, IMP, DIMP). In reviewing the yearly work plan there are some operators that have not had a specialized inspection (OQ, IMP, or DIMP) within the five year interval. The TX RRC needs to improve on the inspection interval to meet their established intervals per their procedures.

---

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

Evaluator Notes:
Yes, the TX RRC uses the Federal Forms in an excel version. Reviewed inspection reports and found that all applicable portions of the inspection forms were filled out by the inspectors. No issues identified.

---

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

Evaluator Notes:
The RRC utilizes a modified PHMSA distribution form when conducting inspections. The form covers the question and is asked during each inspection.

---

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 — 1 — 1
Yes = 1 No = 0

Evaluator Notes:
The RRC utilizes a modified PHMSA distribution form when conducting inspections. The form covers the question and is asked during each inspection.

---

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 — 1 — 1
Yes = 1 No = 0

Evaluator Notes:
The RRC utilizes a modified PHMSA distribution form when conducting inspections. The form covers the question and is asked during each inspection.

---

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 — 1 — 1
Yes = 1 No = 0

Evaluator Notes:
SOG 8 has incident/accident procedures. Records or previous accidents are reviewed by the TX RRC to ensure appropriate operator response. Review during inspections to verify operator response.

---

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:
SOG 3 has the procedure to review Annual reports and incidents. The Program Manager reviews the annual reports, incident reports along with PRIMIS and analyze data.

---

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:
Reviewed IMDB's to verify the TX RRC is submitting their inspection reports. Seems that they are submitting all their reports into the databases. No issues identified.

---

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:
Form RRC 1 Transmission Inspection form has question to ask during inspection which identified submittals to NPMS. Question is under "PHMSA Requirements" line 26 of excel spreadsheet.

---

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:
A drug and alcohol verification inspection is conducted on every inspection. The form is used to verify the operator's MIS information. Drug and Alcohol Program inspections are performed on every operator every 5 years. Procedures require the inspector to conduct a field Drug and Alcohol during every standard inspection.

---

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:
In reviewing the inspection reports, the TX RRC is performing OQ inspections and verifying the OQ programs are up to date. Reviewed OQDB and the TX is uploaded their OQ inspections.

---

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:
TX RRC completed elevenGas IM inspection in 2016 that were loaded into the PHMSA Gas IMDB. Inspections completed use inspection forms that include a previous review of IMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review takes in to account program review and updates of operators plan(s) per 49 CFR 192 Subpart 0. The individuals performing these inspections met PHMSA qualification requirements. Tx RRC is not meeting their 5 year re-inspection interval for all intrastate regulated Operator's IM Plans, which is noted on question C6 as point deductions.

---

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 — 1

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

TX RRC completed 13 DIMP inspections in 2016 that are loaded into the PHMSA DIMP IMDB. Inspections completed use inspection forms that include a review of DIMP plans, along with monitoring progress. In addition, the review takes in to account program review and updates of operators plan(s) per 49 CFR 192 Subpart P DIMP. Tx RRC is still working to complete their First round of DIMP program inspections which should have been complete by December 2014. There is a one point deduction for not completing the first round of DIMP inspections as of the evaluation. The individuals performing these inspections met PHMSA qualification requirements. Tx RRC is not meeting their 5 year re-inspection interval for all intrastate regulated Operator's DIMP Plans. TX RRC is working with PHMSA to solve issues with uploading the inspections report onto the DIMP DB.

---

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 — 2 — 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

The TX RRC perform Public Awareness program inspections during their comprehensive inspections. There were many inspections reports reviewed which included the review of public awareness programs.

---

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). — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

RRC website has enforcement cases available to the public, provides operator resources such as guidelines for operating small distribution systems, has section for the TAC Code, section for any pipeline safety events coming up, and damage prevention section educating the public.

---

21 Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

TX RRC executed appropriate follow-up actions to Safety Related Condition (SRC) Reports reviewed during evaluation.

---

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? — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Form RRC-2 Distribution Inspection form has question that covers the plastic pipe and components that have shown a record of defects.

---

23 Did the state participate in/respond to surveys or information requests from NAPSR or PHMSA? — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, Stephanie Weidman responded to NAPSR surveys in 2016 which was verified thru email.

---

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. 1 .5

No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

The TX RRC has open waivers that have not been closed out or verified for compliance. The TX RRC needs to review waivers on PHMSA website and close out or update any outstanding waivers.

---

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

No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

Yes, Stephanie Weidman and Carrie Ebinghaus attended the National NAPSR Board Meeting.

---

26 Discussion on State Program Performance Metrics found on Stakeholder Communication site - http://primis.phmsa.dot.gov/comm/states.htm 2 2

No = 0 Needs Improvement = 1 Yes = 2

a. Discussion of Potential Accelerated Actions (AA's) based on any negative trends Yes ◉ No ○ Needs Improvement ○

b. NTSB P-11-20 Meaningful Metrics Yes ◉ No ○ Needs Improvement ○

Evaluator Notes:

Negative trend in the number of qualified inspectors. TX RRC is trying to work on hiring qualified personnel and training current inspectors.

Leaks trends negative trends are due to better technology for leak detection and more frequent/accelerated leak surveys by operators. In addition, there is no longer a grade 3 monitoring requirement, all grade 3 leaks must be repaired.

---

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

Info Only = No Points

Evaluator Notes:

Discussed SICT with Stephanie Weidman on how to utilize the tool. Texas has over 1400 Gas operators which impacted the high number of inspector days (over 12000). Stephanie will review the accuracy of the numbers submitted in the tool.

---

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 Info Only

Info Only = No Points

Evaluator Notes:

Discussed with Stephanie Weidman and TX RRC will take appropriate actions to include this in their inspections.

---

29 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

C-6-The TX RRC is not complying with their procedures in inspecting units within the time intervals established. The main issue is the time intervals between specialized inspections (OQ, IMP, DIMP). In reviewing the yearly work plan there are some operators that have not had a specialized inspection (OQ, IMP, or DIMP) within the five year interval. The TX RRC needs to improve on the inspection interval to meet their established intervals per their procedures.

C-18. TX RRC completed 13 DIMP inspections in 2016 that are loaded into the PHMSA DIMP IMDB. Inspections completed use inspection forms that include a review of DIMP plans, along with monitoring progress. In addition, the review takes in to account program review and updates of operators plan(s) per 49 CFR 192 Subpart P DIMP. Tx RRC is still working to complete their First round of DIMP program inspections which should have been complete by December 2014. There is a one point deduction for not completing the first round of DIMP inspections as of the evaluation. The individuals performing these inspections met PHMSA qualification requirements. Tx RRC is not meeting their 5 year re-inspection interval for all intrastate regulated Operator's DIMP Plans. TX RRC is working with PHMSA to solve issues with uploading the inspections report onto the DIMP DB.

C.24- The TX RRC has open waivers that have not been closed out or verified for compliance. The TX RRC needs to review waivers on PHMSA website and close out or update any outstanding waivers.

C-28.Discussed with Stephanie Weidman and TX RRC will take appropriate actions to assure operators take appropriate actions during flow reversal pipelines.

Total points scored for this section: 45.5
Total possible points for this section: 49

PART D - Compliance Activities

		Points(MAX)	Score
1	Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1 Yes = 4 No = 0 Needs Improvement = 1-3	4	4

a. Procedures to notify an operator (company officer) when a noncompliance is identified — Yes ◉ No ○ Needs Improvement ○

b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns — Yes ◉ No ○ Needs Improvement ○

c. Procedures regarding closing outstanding probable violations — Yes ◉ No ○ Needs Improvement ○

Evaluator Notes:

a. Section 3.2.2 has procedure to notify an operator when a noncompliance is identified.
b. Section 10 Compliance and Enforcement Procedures.

Changed procedures so did not include mayor or owner of master meter. will make changes to procedures to include mayor and owner.

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 ◉ No ○ Needs Improvement ○

b. Document probable violations — Yes ◉ No ○ Needs Improvement ○

c. Resolve probable violations — Yes ◉ No ○ Needs Improvement ○

d. Routinely review progress of probable violations — Yes ◉ No ○ Needs Improvement ○

e. Were applicable civil penalties outlined in correspondence with operator(s) — Yes ◉ No ○ Needs Improvement ○

Evaluator Notes:

Compliance actions are tracked through the Pipeline Evaluation System (PES) Civil penalties are in statue and there are guidelines for assessment. No issues were identified.

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

Evaluator Notes:

No instances were found in the random sampling of inspections performed during the evaluation.

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:

Texas Administrative Code (TAC) 121.206 and 207 has "Shoe Cause" hearing process.

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

Evaluator Notes:

Program Manager is aware of the civil penalty process. TAC 8.135 is law which states civil penalty actions. A panel consisting of Kari French, Jim Osterhous, and Stephanie Wiedner decide on accessing and the amount of civil penalty. They are now using the state guidelines for the amount of civil penalties.

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

Evaluator Notes:
Yes, issued $137,000 in civil penalties in 2016.

---

7 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:
The TX RRC is mainly complying with Part D of the Evaluation.

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

PART E - Incident Investigations

	Points(MAX)	Score

1 Does the state have written procedures to address state actions in the event of an incident/ accident? — Points(MAX): 2 — Score: 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

SOG Section 8 has procedures for addressing incident/accident investigations. 8.1.1.2 addresses the need for documentation to verify there's sufficient data gathered if no onsite investigation was made.

---

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 — Points(MAX): 2 — Score: 2

Yes = 2 No = 0 Needs Improvement = 1

a. Acknowledgement of MOU between NTSB and PHMSA (Appendix D) — Yes ◉ No ○ Needs Improvement ○

b. Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) — Yes ◉ No ○ Needs Improvement ○

Evaluator Notes:

Have a 24 hour answering system that transfers calls to on call inspector. Section 18 has incident procedures. On site investigation will be conducted on all reportable incidents. Have acknowledgement of MOU and of federal/state cooperation in case of an incident/accident.

---

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 — Points(MAX): 1 — Score: 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Reviewed incident telephonic reports and they had sufficient information to support that no onsite investigation was needed. Procedure states that they would gather sufficient information to support their decision not to go onsite.

---

4 Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? — Points(MAX): 3 — Score: 3

Yes = 3 No = 0 Needs Improvement = 1-2

a. Observations and document review — Yes ◉ No ○ Needs Improvement ○

b. Contributing Factors — Yes ◉ No ○ Needs Improvement ○

c. Recommendations to prevent recurrences when appropriate — Yes ○ No ○ Needs Improvement ◉

Evaluator Notes:

a. RRC documents all observations in PES and on PHMSA Form 11.

b. Contributing factors were documented on their investigation reports.

c. The data from failure investigation needs to be integrated with other available information so that actions can be recommended to operators to prevent recurrences of failures.

---

5 Did the state initiate compliance action for violations found during any incident/accident investigation? — Points(MAX): 1 — Score: 1

Yes = 1 No = 0

Evaluator Notes:

Gas incidents were reviewed and compliance actions were issued for all violations found during the investigations.

---

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 — Points(MAX): 1 — Score: 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The TX RRC works with region to provide updates to ODES and telephonic reports.

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

Yes = 1 No = 0

Evaluator Notes:

Yes, the TX RRC shares lessons learned during their State of the State address.

---

8 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

E.4 - c. The data from failure investigation needs to be integrated with other available information so that actions/ recommendations made by operator to reduce recurrences of failures can be verified. (1 point loss)

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:
TX RRC has added question to Standard Inspection reports on Hazardous liquid, distribution, and transmission inspections.

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

Evaluator Notes:
TX RRC has added question to Standard Inspection reports on Hazardous liquid, distribution, and transmission inspections.

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

Evaluator Notes:
Yes, the TX RRC did 26 events in 2016 where they presented and material was handed out. In 2016 they focused on plumbers, electricians and landscapers.

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, the RRC collects data on a monthly basis and their damages per 1000 locates dropped from 3.20 to 3.03 from 2015 to 2016. The damages have been cut in half since 2008.

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

Evaluator Notes:
The TX RRC completed 53 Specialized Damage Prevention inspections in 2016 using their inspection staff.

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:
1. Energy Transfer Company / 2. Enterprise Gas Pipeline / 3. CenterPoint Energy

Name of State Inspector(s) Observed:
1. Jose Cheverez (Lead) and Jim Collins / 2.Jake Haase / 3. Jon Hoffman

Location of Inspection:
1. 2001 Stephens Avenue, Mansfield, TX 76063 / 2.1100 Louisiana St. Houston, TX 77210 / 3. Pleasanton, TX Operations Center

Date of Inspection:
1. April 11-12, 2017 / 2. April 25-28, 2017 / 3. 7/18-19/2017

Name of PHMSA Representative:
1. Clint Stephens / 2. Chris McLaren / 3. Don Martin

Evaluator Notes:
1. Texas Railroad Commission performed a Standard Inspection on a intrastate gas transmission pipeline system.
2. Texas Railroad Commission performed a gas IM Inspection on an intrastate gas transmission pipeline system
3. Texas Railroad Commission performed a Gas Distribution Standard Inspection on a gas distribution system

---

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:
1. Yes, the operator's representatives were notified and present during the inspection.
2. Yes, the operator's representatives were notified and present during the inspection.
3. Yes, the operator's representatives were notified in January, 2017 and the representatives were present during the inspection.

---

3 Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) — 2 / 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:
1. Texas Railroad Commission (TXRRC) has its own State inspection checklist, "Standard Comprehensive Inspection Checklist of a Gas Transmission Pipeline". TXRRC stated that checklist had been approved by PHMSA. The checklist was used as a guide for the inspection.
2. PHMSA Gas IM Protocol Form revised August, 2013 was used for the inspection. TRRC State Procedures for conducting IM inspections reviewed and checked for the conduct of the inspection (TRRC Guidelines Section 17 ? IM Inspections).
3. PHMSA's Gas Distribution Standard Inspection Form was utilized for the inspection. The inspection form was followed in sequence as a guide.

---

4 Did the inspector thoroughly document results of the inspection? — 2 / 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:
1. Yes, the inspectors thoroughly documented the results of the inspection in the inspection checklist and their field notes.
2. Yes, PHMSA Gas IM Protocol Form revised August, 2013 was completed for the inspection.
3. Yes, the inspector completed all portions of the form.

---

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:
1. Yes, the operator used pipeline maps, half cell, and volt meter during the inspection.
2. Yes, This was an office based inspection of the IM program. The operator did use the appropriate equipment for this type

of inspection (e.g., GIS, Risk Model, MAOP calculator, PODS data base, etc.).
3. Yes, test equipment for cathodic protection readings, overpressure protection and odorant concentration testing. Calibration records were verified.

---

6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) — 2 — 2

Yes = 2 No = 0 Needs Improvement = 1

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

Evaluator Notes:
1. TXRRC review company procedures during the specialized O&M inspections, so they were reviewed during this inspection. Records reviewed included cathodic protection (CP monitoring/rectifiers), patrolling, leak surveys, pipeline construction (Hydro-test), and valve testing. Field activities included rectifier/cp monitoring, ROW conditions, atmospheric corrosion, and marker signs.
3. Procedures, O&M records and field testing were reviewed.
2. Yes, Procedures, forms, records, computer systems, applications, databases, etc. were all reviewed during the inspection at the appropriate level.

---

7 Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) — 2 — 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:
1. Yes, the inspectors had adequate knowledge of the pipeline safety program and regulations.
2. Yes, The Lead inspectors and other inspectors exhibited an understanding of the pipeline safety program and the applicable regulations.
3. Yes, the inspectors has completed all of the required courses to conduct a Standard Inspection. He exhibited a good understanding the regulations.

---

8 Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) — 1 — 1

Yes = 1 No = 0

Evaluator Notes:
1. Yes, the inspectors conducted an exit interview with no violations being found during the inspection.
2. Yes, An exit interview was conducted and written notice was provided to the office and/or authorized official identifying any noncompliance noted during the inspection.
3. Yes, the inspector provided a briefing at the conclusion of the inspection.

---

9 During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable) — 1 — 1

Yes = 1 No = 0

Evaluator Notes:
1. There were no probable violations found during the inspection; however an exit interview was performed after the inspection.
2. Yes, Areas of concern, probable violations identified during the inspection, and comments were discussed during the exit interview.
3. The inspector notified the operator's representative that no probable violations were found during the inspection. The inspector did point out that a new leak was discovered while checking several leak repair locations in the field and that it needed to be scheduled for repair.

---

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

Info Only = No Points

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

Evaluator Notes:

1. Those areas observed in the field were CP monitoring, ROW conditions, line markers, testing of over-pressure protection, valve testing, and atmospheric corrosion. The inspectors performed these tasks adequately during the inspection.
3. The inspector reviewed cathodic protection readings, overpressure protection testing, odorant level testing and leak detection testing at the sites of previous leak repairs.

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:
Not an Interstate Agent.

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:
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? Yes = 1 No = 0 Needs Improvement = .5	1	NA

Evaluator Notes:
Not an Interstate Agent.

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

Evaluator Notes:
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? Yes = 1 No = 0 Needs Improvement = .5	1	NA

Evaluator Notes:
Not an Interstate Agent.

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:
Not an Interstate Agent.

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:
Not an Interstate Agent.

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

Evaluator Notes:
Not an Interstate Agent.

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

PART I - 60106 Agreement State (If Applicable)

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

Evaluator Notes:
Does not have a 60106 Agreement.

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:
Does not have a 60106 Agreement.

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:
Does not have a 60106 Agreement.

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:
Does not have a 60106 Agreement.

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:
Does not have a 60106 Agreement.

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:
Does not have a 60106 Agreement.

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

Evaluator Notes:
Does not have a 60106 Agreement.

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