



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

1200 New Jersey Avenue SE  
Washington DC 20590

## 2017 Hazardous Liquid State Program Evaluation

for

ARIZONA CORPORATION COMMISSION, Office of Pipeline Safety

### Document Legend

#### PART:

- O -- Representative Date and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- Program Performance
- D -- Compliance Activities
- E -- Accident Investigations
- F -- Damage Prevention
- G -- Field Inspections
- H -- Interstate Agent State (if applicable)
- I -- 60106 Agreement State (if applicable)





# PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- |          |   |   |   |
|----------|---|---|---|
| <b>1</b> | Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

No Issues; Found in the Arizona constitution under Article XV, Section 2 and Arizona Revised Statutes 40-441

- |          |  |   |   |
|----------|--|---|---|
| <b>2</b> | Review of Inspection Days for accuracy - Progress Report Attachment 2<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

No Issues; They use daily, monthly and annual activity reports for each inspector to track this data. I reviewed the records for accuracy.

- |          |  |   |   |
|----------|--|---|---|
| <b>3</b> | Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

No issues, They use their annual audit/inspection schedule for each year to track this.

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

Evaluator Notes:

Yes, the records were reviewed and no issues were identified.

- |          |  |   |   |
|----------|--|---|---|
| <b>5</b> | Accuracy verification of Compliance Activities - Progress Report Attachment 5<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

No issues, the records were reviewed for accuracy. They used their daily and monthly activity reports to track this information.

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

Evaluator Notes:

Yes, the files were available and accessible. However, some of the documentation, (operator responses and follow up were still in electronic format and not in the files)

- |          |  |   |   |
|----------|--|---|---|
| <b>7</b> | Was employee listing and completed training accurate and complete? - Progress Report Attachment 7<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

Yes, this was very well documented on a spread sheet showing all employees and the training they have received since joining the AZCC.

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

Evaluator Notes:

121-80FR70989 (4/14/17) Taking Steps  
123-80FR7972 (3/24/17) Taking Steps  
27-82FR7972 (3/24/17) Taking Steps



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:

Yes. In attachment 10 of the progress report, the state has provided a description of their planned annual and long term goals, along with their accomplishments.

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10 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

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



# PART B - Program Inspection Procedures

Points(MAX) Score

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- |   |  |   |   |
|---|--|---|---|
| 1 | Standard Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 2 | 1 |
|---|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

The AZCC has made improvements to their procedures for Master Meter operators, but still needs to provide greater detail in their Standard inspection procedures for Post Inspection activities. (Needs to clarify the 30 and 90 days notifications of probable violations to the operator)

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- |   |   |   |   |
|---|---|---|---|
| 2 | IMP Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The AZCC has updated their inspection procedures to include the pre and post activities and have added a link/location to find all of their inspection forms.

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- |   |  |   |     |
|---|--|---|-----|
| 3 | OQ Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 0.5 |
|---|--|---|-----|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

the AZCC provided greater clarification to their OQ inspection procedure, however more specific information is needed to provide the clarity needed.

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- |   |   |   |     |
|---|---|---|-----|
| 4 | Damage Prevention Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 0.5 |
|---|---|---|-----|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The AZCC still needs to provide greater clarification to its Damage Prevention inspection procedures in the Pre, Active and Post inspection processes. Steps for notifying operator of probable violations found during inspection and how to do the follow up if needed. (Same as 2016 evaluation - Second notice)

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. Section 5, page 3 of the inspection procedures manual.

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- |   |  |   |     |
|---|--|---|-----|
| 6 | Construction Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 0.5 |
|---|--|---|-----|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The AZCC needs to provide greater clarification to its Construction inspection procedures in the Pre, Active and Post inspection processes. Steps for notifying operator of probable violations found during inspection and how to do the follow up afterwards are needed. (Second year noted)

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- |    |   |                                      |  |
|----|---|--------------------------------------|--|
| 7  | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements?<br>Yes = 6 No = 0 Needs Improvement = 1-5                               | 6                                    | 6  |
| a. | Length of time since last inspection (Within five year interval)  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)   | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Type of activity being undertaken by operators (i.e. construction)  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| d. | Locations of operators inspection units being inspected - (HCA's, Geographic area, Population Density, etc)   | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| e. | Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| f. | Are inspection units broken down appropriately?   | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes. Arizona takes all of the above items into consideration when scheduling and conducting inspections. All operators; Gas, LPG, LNG, and hazardous liquid operators with the exception of Priority 2 master meter operators are inspected every year. Priority 2 master meter operators are described in Arizona policies and procedures and are inspected once every two years. If the inspector feels that there is an increased risk based on leaks or other risk factors such as an increased number of violations. The procedure allows the inspector to reclassify the inspection to a higher risk priority 1 status, requiring annual inspections.

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

B1. - 1 point, The AZCC has made improvements to their procedures for Master Meter operators, but still needs to provide greater detail in their Standard inspection procedures for Post Inspection activities. (Needs to clarify the 30 and 90 days notifications of probable violations to the operator)

B3. - 0.5 Points, The AZCC provided greater clarification to their OQ inspection procedure, however more specific information is needed to provide the clarity needed.

B4. 1 - Point, The AZCC still needs to provide greater clarification to its Damage Prevention inspection procedures in the Pre, Active and Post inspection processes. Steps for notifying operator of probable violations found during inspection and how to do the follow up if needed. (Same as 2016 evaluation - Second notice)

B6. -0.5 Points, The AZCC needs to provide greater clarification to its Construction inspection procedures in the Pre, Active and Post inspection processes. Steps for notifying operator of probable violations found during inspection and how to do the follow up afterwards are needed. (Second year noted)

Total points scored for this section: 10.5  
Total possible points for this section: 13



# PART C - Program Performance

Points(MAX) Score

- 1** Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 5 5  
 Yes = 5 No = 0
- A. Total Inspection Person Days (Attachment 2):  
63.00
- B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
220 X 0.70 = 153.54
- Ratio: A / B  
63.00 / 153.54 = 0.41
- If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0  
Points = 5

Evaluator Notes:  
Yes, the ratio was acceptable at .49%

- 2** Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 5 5  
 Yes = 5 No = 0 Needs Improvement = 1-4
- a. Completion of Required OQ Training before conducting inspection as lead? Yes  No  Needs Improvement
- b. Completion of Required IMP Training before conducting inspection as lead Yes  No  Needs Improvement
- c. Root Cause Training by at least one inspector/prgram manager Yes  No  Needs Improvement
- d. Note any outside training completed Yes  No  Needs Improvement
- e. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. Yes  No  Needs Improvement

Evaluator Notes:  
Yes, reviewed the AZCC training records and SABAS records to verify the information.

- 3** Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 2 2  
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:  
The AZCC Program Manager has been in the position for a little over one year. He has becoming more familiar with the PHMSA state guidelines and has a pretty good handle on the state's own processes and record keeping. He has completed all TQ courses for Standard inspections and has done the HL inspection course, Breakout tanks course, fundamentals of fluid mechanics, OQ course and the Hazwoper course, he still needs only a few to cover IMP and DIMP.

- 4** Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 2 2  
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:  
Yes, the AZCC Chairman's letter went out on 7/27/2017 and the response letter was received on September 17, 2017.

- 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, the seminar was held on 2/15/2015. (Need to conduct seminar by 2/11/2018) They have it scheduled for June 12-13, 2018.

- 6** Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 5 5



Yes = 5 No = 0 Needs Improvement = 1-4

Evaluator Notes:

Yes, reviewed completed inspections and found no issues. Language for the procedure setting time intervals for Master Meter operators was rewritten to provide more clarity.

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 state is using IA for Interstate inspection and no issues were found in the review of inspections.

8	Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 195.402(c)(5)?	1	1
	Yes = 1 No = 0		

Evaluator Notes:

Yes. This is reviewed and addressed on Arizona's inspection report. All state reportable damages track notification to company time vs gas off times. Arizona also collects and tracks pipeline damage information including number of locate tickets, damages per thousand tickets and by type of damage; no ticket, mis-marked locate, 1st 2nd and 3rd party damages.

9	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:

The Arizona CC uses mandatory quarterly reports for leaks and accidents/damages from operators to track this information. It gives a good real time account of the information. They also review the annual reports to track new installation of pipe and services.

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

Evaluator Notes:

Yes, this information is reviewed by inspectors prior to conducting inspections and is found in question 191.22 on their form.

11	Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199	2	2
	Yes = 2 No = 0 Needs Improvement = 1		

Evaluator Notes:

Yes, Drug and alcohol plans are reviewed at the same time the standard inspection is being conducted.

12	Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 195 Part G	2	2
	Yes = 2 No = 0 Needs Improvement = 1		

Evaluator Notes:

Yes, this is verified during all inspections.





- 13 Is state verifying operator's hazardous liquid integrity management (L IMP) Programs are up to date? This should include a previous review of LIMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). (Are the State's largest operators programs being contacted or reviewed annually? Are replies to Operator IM notifications addressed? (formerly part of Question C-10)). 49 CFR 195.452 Appendix C  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, this is completed during the annual inspections. A specialized inspection is conducted once ever three years to cover plan activities.

- 14 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 be conducted every four years by operators. 49 CFR 195.440  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, the PA inspections are conducted at the same time the operator is having a Standard Inspection.

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

Evaluator Notes:

Yes, Arizona maintains a public website and maintains a working relationship and meets with the Arizona Utility Group. Arizona is a member of; the AZ National Utility Contractors Association, One call ticket resolution committee, Arizona Emergency Response Committee Advisory Board, the Arizona and National Common Ground Alliance. Arizona participates as a sponsoring member of the AZ 811 Alliance. Arizona meets quarterly with their largest LDC, Southwest Gas Corporation to discuss possible safety issues, ongoing maintenance, operational issues and vintage pipe replacement projects or other issues relevant to the safe operation of pipelines in Arizona. They are also working with the Pipeline Safety Trust to update their website to have better out reach.

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

Evaluator Notes:

Yes, no issues found

- 17 Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA?  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, they provided documentation of their responses top the NAPSRS survey questions in 2017.

- 18 If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate.  
Needs Improvement = .5 No = 0 Yes = 1

Evaluator Notes:

The AZCC has made efforts to improve this by verifying the condition of all their waivers. There are at least 8 waivers that exist and they have been provided to the operators to review for applicability. The expect to have answers for all by the 3rd quarter of 2018.

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



Evaluator Notes:

Yes, Dennis, (program Manager) and Pam West, (Supervisor) attended the annual meeting.

- 20** Discussion on State Program Performance Metrics found on Stakeholder Communication site ? <http://primis.phmsa.dot.gov/comm/states.htm> 2 2  
Needs Improvement = 1 No = 0 Yes = 2
- a. Discussion of Potential Accelerated Actions (AA's) based on any negative trends Yes  No  Needs Improvement
- b. NTSB P-11-20 Meaningful Metrics Yes  No  Needs Improvement

Evaluator Notes:

The states excavation damages have lowered steadily from 2013 to 2016 from 1.7 to 1.2 damages per 1000 locate requests. Inspection days for gas pipelines has decreased from 2013 and 2014 at 13 days per 1000 miles to 9 days in 2016. Leaks repaired per 1,000 miles of distribution went up by almost 100, stayed approximately the same for HL, and outstanding leaks.

Enforcement for Gas has come up from 2013 to 100 percent then same as in 2012 and 2011. Enforcement for Hazardous Liquids has dropped from 100 percent in 2012 right at 88 percent in 2014 and 2015.

Incident Investigation is steady at 100 percent for both Gas and HL.

Inspection days for MMO/LPG also dropped from a high of 1.1 days in 2013 to .8 in 2014 and .820 in 2015 now is 0.8 in 2016.

Hazardous Liquid inspection days are up from 60 days in 2013 and 65 in 2014, to almost 8 in 2016.

The percentages for Inspector qualifications has stayed basically the same for both Gas and Hazardous Liquids in 2014 and 2015, then went up in % core training and 5-year retention in 2016.

- 21** Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT) Has the State updated SICT data? 1 1  
No = 0 Yes = 1

Evaluator Notes:

Had a discussion with the PM concerning the difference in the SICT numbers and the numbers on the progress report. The program had issues with three of its senior inspectors and they left the program by the summer of 2017. The PM feels they could hit the existing numbers in the SICT with a full staff, but will review the numbers and submit new ones for 2019.

- 22** Did the State verify Operators took appropriate action regarding Pipeline Flow Reversals, Product Changes and Conversions to Service? See ADP-2014-04 1 1  
Needs Improvement = .5 No = 0 Yes = 1

Evaluator Notes:

The AZCC covered these topics at their quarterly meetings with operators.

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

Evaluator Notes:

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



# 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<br>Yes = 4 No = 0 Needs Improvement = 1-3 | 4                                    | 4  |
| a. | Procedures to notify an operator (company officer) when a noncompliance is identified  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Procedures regarding closing outstanding probable violations   | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes, Section 5, Page 1 for Compliance Officer and Section 5, Page 5 for Compliance Actions in their policy and procedures manual.

- |    |  |                                      |  |
|----|--|--------------------------------------|--|
| 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<br>Yes = 4 No = 0 Needs Improvement = 1-3 | 4                                    | 4  |
| a. | Were compliance actions sent to company officer or manager/board director if municipal/government system?  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Document probable violations   | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Resolve probable violations  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| d. | Routinely review progress of probable violations   | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| e. | Within 30 days, conduct a post-inspection briefing with the owner or operator of the gas or hazardous liquid pipeline facility inspected outlining any concerns; and   | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| f. | Within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection.  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes, all compliance actions reviewed showed that the AZCC did follow their compliance procedures and were adequately documented.

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

Evaluator Notes:

Yes, 3 compliance actions were initiated in 2017 and the records were reviewed to verify the numbers.

- |   |   |   |   |
|---|---|---|---|
| 4 | Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary.<br>Yes = 2 No = 0 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, No issues

- |   |   |   |   |
|---|---|---|---|
| 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)<br>Yes = 2 No = 0 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, Dennis (Program Manager) has familiarized himself with the states process for imposing civil penalties.

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

Evaluator Notes:



Yes, the last civil penalty issued was in 2016 and collected in 2017. The program is in the process of setting up a system and procedure with clear and concise language to insure consistency.

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7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

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



# PART E - Accident Investigations

Points(MAX) Score

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

Evaluator Notes:

Yes, They can be found in Section 10 of their policies and procedures manual, and in their training manual. During 2017 the AZCC made contact with all operators to refresh what their expectations are and to update contact names and numbers.

- 2 Does state have adequate mechanism to receive and respond to operator reports of accidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 2 2  
Yes = 2 No = 0 Needs Improvement = 1

- a. Acknowledgement of MOU between NTSB and PHMSA (Appendix D) Yes  No  Needs Improvement   
b. Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) Yes  No  Needs Improvement

Evaluator Notes:

Yes, they have a dedicated phone line at (602-252-4449) that is forwarded to the on call inspector for after hours response. The AZCC has made contact with all operators to verify the number.

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

Evaluator Notes:

Yes, they do onsite investigations of almost 90 percent of all reportable incidents and collect documentation to verify the decision to not go onsite.

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

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

Evaluator Notes:

Yes, Reviewed all reportable incidents.

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

Evaluator Notes:

No violations were found on HL incident inspections in 2017.

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

Evaluator Notes:

Yes, the AZCC works with the Accident Investigation Division to ensure the reports are accurate and finals have been received.

- 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 lessons learned were shared with the Western region states at their annual NAPS R WR meeting.

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**8** General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

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



**PART F - Damage Prevention**

**Points(MAX) Score**

- 1 Has the state reviewed directional drilling/boring procedures of each pipeline operator or its contractor to determine if they include actions to protect their facilities from the dangers posed by drilling and other trench less technologies? 2 2  
Yes = 2 No = 0 Needs Improvement = 1

**Evaluator Notes:**

Yes. This is found on the standard inspection form, page 2, and is also addressed during the in-house training course for master meters and with major operators during inspections.

- 2 Did the state inspector verify pipeline operators are following their written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system? 2 2  
Yes = 2 No = 0 Needs Improvement = 1

**Evaluator Notes:**

Yes. This is on the standard inspection check list on page 2 192.605(b)(1) 192.614 questions C1 to C5 and is reviewed during each standard inspection.

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

**Evaluator Notes:**

Yes. They attend monthly meetings with stake holders, participation at public awareness seminars around the state and use a training DVD that covers the Arizona Underground Facilities Law as part of their enforcement process.

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

**Evaluator Notes:**

Yes, The AZCC gets quarterly damage reports from all operators (except master meter) that includes the number of tickets, number of damages and the cause of the damages. This information is reviewed by the AZCC.

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

**Evaluator Notes:**

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:  
 APS  
 Name of State Inspector(s) Observed:  
 Alan Borne-Lead Inspector; Daniel Hickey-Inspector  
 Location of Inspection:  
 Phoenix, AZ  
 Date of Inspection:  
 June 11-13, 2018  
 Name of PHMSA Representative:  
 Agustin Lopez

Evaluator Notes:  
 Evaluated Mr. Alan Borne and Daniel Hickey conduct an inspection on APS hazardous liquids pipeline system in Phoenix, AZ. Alan Borne was the lead inspector.

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

Evaluator Notes:  
 Yes, the operator was notified with enough notice to allow for the opportunity of operator representatives to be present during 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:  
 Yes the inspectors were utilizing a PHMSA equivalent form to conduct the inspection. They documented the results and used it as a guide to complete inspection.

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

Evaluator Notes:  
 Yes, the IA equivalent form was used to document results of the inspection.

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

Evaluator Notes:  
 Yes, the inspector checked the proper equipment was being utilized by the operator while taking pipe to soil readings.

**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:  
 Inspector reviewed procedures and records for the pipeline system. He concluded with a field inspection of the pipeline facilities.





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:

Yes, Mr. Alan Borne has been with the ACC for many years and is very knowledgeable of the pipeline safety program and 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:

Yes, the inspector closed the inspection with an exit briefing with the operator.

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:

Yes, the inspector summarized the findings during the exit interview and explained the process of how a non compliance letter is issued.

10 General Comments: 1) What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) 2) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 3) Other Info Only Info Only  
 Info Only = No Points

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



- D. Valve Maintenance
- E. Vault Maintenance
- F. Welding
- G. OQ - Operator Qualification
- H. Compliance Follow-up
- I. Atmospheric Corrosion
- J. Other

Evaluator Notes:

The inspector conducted a comprehensive inspection of APS hazardous liquid pipeline. He reviewed procedures and maintenance records. He also performed a field inspection of the pipeline and its facilities.

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Total points scored for this section: 12  
Total possible points for this section: 12



**PART H - Interstate Agent State (if applicable)**

**Points(MAX) Score**

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

Evaluator Notes:  
Yes, AZCC uses the IA process and forms to conduct inspections

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

Evaluator Notes:  
Yes

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

Evaluator Notes:  
Yes, with the IA process the documentation is completed online while doing the inspection and is submitted as soon as the inspection is completed.

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

Evaluator Notes:  
Yes, they are identified on the IA inspection process/form and are submitted at the inspections conclusion.

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

Evaluator Notes:  
Yes, this is part of the IA process.

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

Evaluator Notes:  
Yes, everything is in IA

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

Evaluator Notes:  
Yes, the evidence and documentation is attached to the IA inspection plan/form.

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

Evaluator Notes:  
This section of the form was shared with Kim West, Director of the Western Region, PHMSA and Dustin Hoffman. Dustin submitted that everything on the form was correct and they have no issues with the AZCC as a Interstate Agent.

Total points scored for this section: 6  
Total possible points for this section: 6



**PART I - 60106 Agreement State (if applicable)**

**Points(MAX) Score**

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

Evaluator Notes:  
State does not have a 60106

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

Evaluator Notes:  
State does not have a 60106

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

Evaluator Notes:  
State does not have a 60106

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

Evaluator Notes:  
State does not have a 60106

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

Evaluator Notes:  
State does not have a 60106

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

Evaluator Notes:  
State does not have a 60106

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

Evaluator Notes:  
State does not have a 60106

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

