



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

1200 New Jersey Avenue SE
Washington DC 20590

2017 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)



2017 Gas State Program Evaluation -- CY 2017

Gas

State Agency: Texas

Agency Status:

Date of Visit: 07/23/2018 - 08/17/2018

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

Rating:

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

INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2017 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

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

Scoring Summary

PARTS	Possible Points	Points Scored
A Progress Report and Program Documentation Review	10	9.5
B Program Inspection Procedures	13	13
C Program Performance	48	42
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	117	110.5
State Rating		94.4



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.

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|----------|--|---|-----|
| 2 | Review of Inspection Days for accuracy - Progress Report Attachment 2
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|----------|--|---|-----|

Evaluator Notes:

Reviewed PES database to verify Progress Report data. There was 6 days claimed as interstate inspections which were incorrect. The inspection days should've been for intrastate inspections. TXRRC will contact Carrie Winslow to change the data.

This is second year in a row that days were recorded incorrectly.

Loss of 0.5 points

- | | | | |
|----------|--|---|---|
| 3 | Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

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

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

Evaluator Notes:

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

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

Evaluator Notes:

Reviewed 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. Cases are taking a long time to work thru their legal process, the TX RRC is working to close out the cases within a reasonable time.

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

Evaluator Notes:

Yes, all program files are kept electronically in PES and are easily accessed. 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:

All regulations and amendments adopted for Parts, 191, 192, 193, 198, 199

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, the TXRRC listed several accomplishments, one being; In 2017, Pipeline Safety inspectors completed approximately 2,412 gas safety evaluations of 1,102 operators (this includes master meter operators), for which we sent 321 violation letters citing 1,456 alleged violations. Also during 2017, we reported 1,242 violations as corrected; this number includes violations that were cited in previous years. Also, the Commission collected a total of \$281,350.00 in enforcement penalties for gas enforcement cases.

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

Evaluator Notes:

A2 - Reviewed PES database to verify Progress Report data. There was 6 days claimed as interstate inspections which were incorrect. The inspection days should've been for intrastate inspections. TXRRC will contact Carrie Winslow to change the data.
This is second year in a row that days were recorded incorrectly.

Loss of 0.5 points

Total points scored for this section: 9.5
Total possible points for this section: 10



PART B - Program Inspection Procedures

Points(MAX) Score

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

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

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.

3.1 - Pre inspection, 3.2 DATA Collection

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

SOG 6.1 TIMP Procedures and SOG 6.2 DIMP Procedures give guidance to inspectors for performing IM inspections.

TXRRC - has given all inspectors access to PDM and training on how to utilize iut for pre inspection activities.

*The TXRRC still needs top add some language to 6.2.2.1 for the use of Form 24 for DIMP 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. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

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.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

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 retired in 2018. Stephanie is the new Director for the Damage Prevention Section of RRC. Damage Prevention has 8.2 person years dedicated to DP.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

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

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

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

Evaluator Notes:

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 = No Points

Info Only Info Only

Evaluator Notes:

B2 -*The TXRRC still needs top add some language to 6.2.2.1 for the use of Form 24 for DIMP 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 5 5
 Yes = 5 No = 0
 A. Total Inspection Person Days (Attachment 2):
 5657.00
 B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 220 X 31.27 = 6878.30
 Ratio: A / B
 5657.00 / 6878.30 = 0.82
 If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
 Points = 5

Evaluator Notes:
 220X31.14 = 6850.8
 5657/6850.8 = .825

- 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 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:
 *All inspectors attended a week long training course at the ATMOS facility in Plano Texas that covered; Regulator Stations, Meter Sets and Service Requirements.

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

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

- 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 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, the TXRRC held a safety Seminar on September 22, 2017. The seminar was conducted without PHMSA TQ participation.

- 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 TXRRC did not inspect all types of operators and inspection units in accordance with the time intervals established in their written procedures.

Inspections types where inspections didn't meet the procedures were;

Standard Examples -Atmos energy Longview, TX, Operator Qualification Examples; Inspection numbers; 115274, 116692, 116191, 116687, 115548, 114695. Loss of 1 point , Public Awareness, TIMP Examples; Inspection numbers; 115277, 114808, 116774, 115411 and DIMP Examples; Inspection numbers; 116697, 114861, 114935, 116372. Loss of 2 Points

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
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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
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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. Questions 27-28

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
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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
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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
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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
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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.

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| 13 | Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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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.

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| 14 | Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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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.

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|-----------|---|---|---|
| 15 | Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 192 Part N
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
|-----------|---|---|---|

Evaluator Notes:

The TXRRC completed 66 OQ inspections in 2017. Inspection packages reviewed showed that none of them were completed within the 5 year time intervals established in their procedures. They hope to have them on track with their inspection intervals soon. Examples; Inspection numbers; 115274, 116692, 116191, 116687, 115548, 114695. Loss of 1 point

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|-----------|---|---|---|
| 16 | 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? Are replies to Operator IM notifications addressed? (formerly part of Question C-13)). 49 CFR 192 Subpart 0
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
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Evaluator Notes:

The TXRRC completed 32 IMP inspections in 2017. Inspection packages reviewed showed that none of them were completed within the 5 year time intervals established in their procedures. They hope to have them on track with their inspection intervals soon. Examples; Inspection numbers; 115277, 114808, 116774, 115411. Loss of 1 point

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|-----------|--|---|---|
| 17 | 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
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
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Evaluator Notes:

The TXRRC completed 35 DIMP inspections in 2017. Inspection packages reviewed showed that none of them were completed within the 5 year time intervals established in their procedures. They hope to have their first round of all operators completed in 2019. Examples; Inspection numbers; 116697, 114861, 114935, 116372. Loss of 1 point

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|-----------|---|---|---|
| 18 | 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 192.616
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
|-----------|---|---|---|

Evaluator Notes:

The TXRRC completed 41 Public Awareness inspections in 2017. Inspection packages reviewed showed that none of them

were completed within the 5 year time intervals established in their procedures. To date only 25 percent of all operators plans have been reviewed. Examples; Inspection numbers; 116551, 116632, 116629, 115746, 115291. Loss of 1 point

- 19** 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.

- 20** 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.

- 21** 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. Question 30

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

Evaluator Notes:

Yes, Stephanie Weidman responded to NAPSRS surveys in 2017 which was verified thru email.

- 23** 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 1
 No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

Stephanie Weidman, the program manager, has reviewed the status of all waivers granted in Texas and is now in the process of having the status of each up dated. She will be working with Kay MacGyver in PHMSA HQ. (Recommendation to be reviewed in 2019 evaluation)

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

Evaluator Notes:

Yes, Stephanie Weidman, Kari French and Carrie Ebinghaus attended the 2017 National NAPSRS Board Meeting.

- 25** 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:

? Excavation Damages per 1000 Locate Tickets has stayed about the same from 2014 to 2017 at a little over 3 per 1000 tickets. This is a significant drop from 2010 when the number was almost 5.

- ? Inspection days per 1000 miles of pipe dropped below 2014 and 2015 (25) levels to around 22 in 2016, then back up in 2017 to 27 which is the highest it has ever been.
- ? Inspection days per MMO/LPG have gone up in 2017 from .70 to .80 and are higher than ever since 2010 when data started being tracked.
- ? Inspection days per 1000 miles of liquid pipelines have gone up to over 50 from around 42 in 2015. This is a significant increase over any previous year recorded.
- ? Gas & Liquid Inspector qualification is down in the core training area but has gone up in the additional and 5-year retention area. Overall training suffers due to turn over of inspectors.
- ? Gas Distribution System Leaks per 1000 miles of pipe. Number of leaks repaired has gone up over the 2016 to 2017. Number of hazardous leaks repaired has stayed the same as 2016. Number of outstanding leaks has decreased a significant amount over the 2016 number.
- ? Enforcement Program Evaluation is steady for both gas and liquid pipelines at 100 percent.
- ? Incident investigations for both gas and hazardous liquids has gone up to 100% in 2016 from around 75% in 2015.

26 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:

The TXRRC number in SICT was 7551 and they reported 5657 in the 2017 progress report. The discussion with the PM was to verify that the numbers being submitted in the SICT need to reflect what is in the inspection plan for the calendar year.

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

Evaluator Notes:

Not Applicable

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

Evaluator Notes:

C6 - The TXRRC did not inspect all types of operators and inspection units in accordance with the time intervals established in their written procedures.

Inspections types where inspections didn't meet the procedures were;

Standard Examples -Atmos energy Longview, TX, Operator Qualification Examples; Inspection numbers; 115274, 116692, 116191, 116687, 115548, 114695. Loss of 1 point, Public Awareness, TIMP Examples; Inspection numbers; 115277, 114808, 116774, 115411 and DIMP Examples; Inspection numbers; 116697, 114861, 114935, 116372 Loss of 2 Points

C15 - The TXRRC completed 66 OQ inspections in 2017. Inspection packages reviewed showed that none of them were completed within the 5 year time intervals established in their procedures. They hope to have them on track with their inspection intervals soon. Examples; Inspection numbers; 115274, 116692, 116191, 116687, 115548, 114695. Loss of 1 point

C16 - The TXRRC completed 32 IMP inspections in 2017. Inspection packages reviewed showed that none of them were completed within the 5 year time intervals established in their procedures. They hope to have them on track with their inspection intervals soon. Examples; Inspection numbers; 115277, 114808, 116774, 115411. Loss of 1 point

C17 - The TXRRC completed 35 DIMP inspections in 2017. Inspection packages reviewed showed that none of them were completed within the 5 year time intervals established in their procedures. They hope to have their first round of all operators completed in 2019. Examples; Inspection numbers; 116697, 114861, 114935, 116372. Loss of 1 point

C18 - The TXRRC completed 41 Public Awareness inspections in 2017. Inspection packages reviewed showed that none of them were completed within the 5 year time intervals established in their procedures. To date only 25 percent of all operators plans have been reviewed. Examples; Inspection numbers; 116551, 116632, 116629, 115746, 115291. Loss of 1 point

C23 - Stephanie Weidman, the program manager, has reviewed the status of all waivers granted in Texas and is now in the process of having the status of each up dated. She will be working with Kay MacGyver in PHMSA HQ. (Recommendation to be reviewed in 2019 evaluation)

Total points scored for this section: 42
Total possible points for this section: 48



PART D - Compliance Activities

Points(MAX) Score

- | | | | |
|----------|--|--------------------------------------|--|
| 1 | Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Procedures to notify an operator (company officer) when a noncompliance is identified | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Procedures regarding closing outstanding probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

- 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 to include the language, notify operator in section 3.1.7

- | | | | |
|----------|--|--------------------------------------|--|
| 2 | Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Were compliance actions sent to company officer or manager/board member if municipal/government system? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Document probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Resolve probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| d. | Routinely review progress of probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| e. | 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:

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 78 randomly sampled 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:

Yes, 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 the state law which explains civil penalty actions. A panel consisting of Kari French, Jim Osterhous, and Stephanie Wiedner worked together in 2017 to decide on the action of accessing and the amount of civil penalty. They are 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, the TXRRC issued 24 civil penalties with a total of \$281,350.00 in fines for CY2017. All were collected in 2017.

7 General Comments:

Info Only|Info Only

Info Only = No Points

Evaluator Notes:

Total points scored for this section: 15

Total possible points for this section: 15



PART E - Incident Investigations

Points(MAX) Score

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

Evaluator Notes:

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 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:

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

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

Evaluator Notes:

- a. RRC documents all observations in PES and on PHMSA Form 11.
b. Contributing factors were documented on their investigation reports.
c. The should continue to review and verify operators actions and recommendations to prevent recurrences of failures.

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

Evaluator Notes:

The TX RRC works with PHMSA AID to provide updates to telephonic reports.



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

Info OnlyInfo Only

Evaluator Notes:

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 inspection forms.

- | | | | |
|----------|--|---|---|
| 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?
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 20 events in 2017 where they presented and material were handed out. In 2017 they attended a live mock strike event.

- | | | | |
|----------|--|---|---|
| 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 TXRRC collects data on a monthly basis and their damages per 1000 locates stayed around 3 per 1000 locate request since 2015. The damages have dropped from almost 5 in 2008.

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

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:
 (1) EnerVest Operating, LLC (2) CenterPoint Energy
- Name of State Inspector(s) Observed:
 (1) Jeremy Dudik (2) Michael Porter - Lead Inspector, Brad Cox, Blaine Jacobs, Jorge Cerda and Ross Richardson
- Location of Inspection:
 (1) Alvarado, TX (2) Longview, TX
- Date of Inspection:
 (1) March 27-29, 2018 (2) July 16-19, 2018
- Name of PHMSA Representative:
 (1) Clint Stephens (2) Don Martin

Evaluator Notes:
 (1) The TXRRC performed a Standard Comprehensive inspection on a Type "A" Gathering line system.
 (2) The TXRRC performed a Standard Comprehensive inspection of CenterPoint's Longview (East) Inspection Unit. Longview (East) includes all distribution facilities in Longview, TX east of Hwy.63.

- 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 representative was notified and given the opportunity to be present during the inspection.
 (2) Yes, CenterPoint was represented by Harry (Bubba) Vrana, District Operations Manager and Kevin Luman, Longview Operations Supervisor.

- 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) The inspector used an excel spreadsheet inspection checklist established by the Texas Railroad Commission. The checklist was used as a guide for the inspection.
 (2) The lead inspector used an excel spreadsheet created by the TXRRC. The spreadsheet was reviewed by PHMSA in previous evaluations. No issues were identified with the spreadsheet during the previous evaluations. The lead inspector progressed through the inspection while referring to the spreadsheet.

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

Evaluator Notes:
 (1) Yes, the inspector thoroughly documented the results of the inspection on the inspection checklist.
 (2) Yes, the lead inspector captured the results of each item covered by entering into the spreadsheet.

- 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 provided system maps, utilized multi-meter, half cells, and valve wrench during the inspection.
 (2) Yes, the inspector verified the equipment and calibration records.

- 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) Yes, the inspector reviewed the following records: Corrosion Control, Leak Surveys, ROW Patrolling, Valve maintenance, Over Pressure Protection testing, OQ, and One-Call. The inspector performed the following field activities: checked cathodic protection, ROW markers/accessibility, rectifiers, valve operation, atmospheric corrosion, and facility signs.
- (2) Yes, the inspector observed cathodic protection readings, leak repair monitoring checks, markers, signs, odorization and valve inspections.

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 inspector showed adequate knowledge of the pipeline safety program and regulations during the inspection.
- (2) Yes, the lead inspector had very good knowledge of pipeline safety 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 inspector did conduct an exit interview on Thursday, March 29, 2018.
- (2) Yes, an exit briefing was conducted by the lead inspector.

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) Yes, the inspector did not identify any probable violations, but there were numerous recommendations sited after the inspection, examples, atmospheric corrosion, signage, and valve locks.
- (2) Yes, the lead inspector provided the necessary information during the exit interview.

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

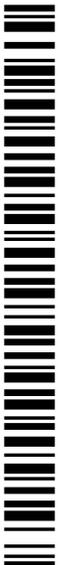


- r. Moving Pipe
- s. New Construction
- t. Navigable Waterway Crossings
- u. Odorization
- v. Overpressure Safety Devices
- w. Plastic Pipe Installation
- x. Public Education
- y. Purging
- z. Prevention of Accidental Ignition
- A. Repairs
- B. Signs
- C. Tapping
- D. Valve Maintenance
- E. Vault Maintenance
- F. Welding
- G. OQ - Operator Qualification
- H. Compliance Follow-up
- I. Atmospheric Corrosion
- J. Other

Evaluator Notes:

- (1) The inspector did an excellent job of observing and identifying possible issues during the field inspection.
- (2) The RRC inspectors conducted an in-depth review of records and testing of facilities in the field including re-checks of 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)? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
TXRRC Not an interstate agent

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

Evaluator Notes:
TXRRC Not an interstate agent

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

Evaluator Notes:
TXRRC Not an interstate agent

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

Evaluator Notes:
TXRRC Not an interstate agent

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

Evaluator Notes:
TXRRC Not an interstate agent

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

Evaluator Notes:
TXRRC Not an interstate agent

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

Evaluator Notes:
TXRRC Not an interstate agent

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

Evaluator Notes:
TXRRC Not an interstate agent

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



PART I - 60106 Agreement State (If Applicable)

Points(MAX) Score

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

Evaluator Notes:
State does NOT have a 60106 agreement.

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 agreement.

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 agreement.

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 agreement.

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 agreement.

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 agreement.

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

Evaluator Notes:
State does NOT have a 60106 agreement.

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

