



2009 Natural Gas State Program Evaluation

for

KENTUCKY PUBLIC SERVICE COMMISSION

Document Legend

PART:

- O -- Representative Date and Title Information
- A -- General Program Qualifications
- B -- Inspections and Compliance - Procedures/Records/Performance
- C -- Interstate Agent States
- D -- Incident Investigations
- E -- Damage Prevention Initiatives
- F -- Field Inspection
- G -- PHMSA Initiatives - Strategic Plan
- H -- Miscellaneous
- I -- Program Initiatives



2009 Natural Gas State Program Evaluation -- CY 2009
Natural Gas

State Agency: Kentucky
Agency Status:
Date of Visit: 06/14/2010 - 08/13/2010
Agency Representative: Jason Brangers
PHMSA Representative: Don Martin and Dale Bennett
Commission Chairman to whom follow up letter is to be sent:
Name/Title: , Chairman
Agency: Kentucky Public Service Commission
Address:
City/State/Zip: Frankfort, Kentucky

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 2009 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less 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 certification/agreement attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART F):

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

Scoring Summary

PARTS	Possible Points	Points Scored
A General Program Qualifications	26	26
B Inspections and Compliance - Procedures/Records/Performance	24.5	24.5
C Interstate Agent States	0	0
D Incident Investigations	7	6.5
E Damage Prevention Initiatives	9	9
F Field Inspection	12	12
G PHMSA Initiatives - Strategic Plan	9.5	9
H Miscellaneous	3	3
I Program Initiatives	9	8
TOTALS	100	98
State Rating		98.0

PART A - General Program Qualifications

Points(MAX) Score

1	<p>Did the state submit complete and accurate information on the attachments to its most current 60105(a) Certification/60106 (a) Agreement? (NOTE: PHMSA Representative to verify certification/agreement attachments by reviewing appropriate state documentation. Score a deficiency in any one area as "needs improvement". Attachment numbers appear in parenthesis) Previous Question A.1, Items a-h worth 1 point each</p> <p>Yes = 8 No = 0 Needs Minor Improvement = 3-7 Needs Major Improvement = 2</p> <ul style="list-style-type: none"> a. State Jurisdiction and agent status over gas facilities (1) <input checked="" type="checkbox"/> b. Total state inspection activity (2) <input checked="" type="checkbox"/> c. Gas facilities subject to state safety jurisdiction (3) <input checked="" type="checkbox"/> d. Gas pipeline incidents (4) <input checked="" type="checkbox"/> e. State compliance actions (5) <input checked="" type="checkbox"/> f. State record maintenance and reporting (6) <input checked="" type="checkbox"/> g. State employees directly involved in the gas pipeline safety program (7) <input checked="" type="checkbox"/> h. State compliance with Federal requirements (8) <input checked="" type="checkbox"/> 	8	8
----------	---	---	---

SLR Notes:

The 2010 Certification document appeared to have accurate information based upon a review of the KPSC's records for 2009. Jason Branger's inspector category probably should be a Category II instead of III that was in the certification.

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

SLR Notes:

Yes. The KPSC maintains a log of telephonic reports. The information is maintained the KPSC's report database which is used to track the status of incident reports.

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

SLR Notes:

The KPSC conducted a regulations update seminar in April, 2007. At the KPSC's request, PHMSA Training and Qualifications has scheduled a seminar during 2010.

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

SLR Notes:

Yes. The KPSC maintains both electronic and hard copies of their inspections reports. The KPSC utilizes a database system to complete reports electronically and stored in the database. Hard copy inspection reports are kept in filing cabinets that are organized by operator and the date of the inspection. Other electronic files are kept to keep track of telephonic reports of incidents, summary information of inspections and track follow up on non-compliance issues found. All of the files are well organized and easy to access.

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

SLR Notes:

Jason Brangers exhibited knowledge of pipeline safety regulations and the requirements for a state pipeline safety program outlined in the Guidelines For A State Pipeline Safety Program. Mr. Brangers has been the program manager for the KPSC for approximately five years.

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

SLR Notes:

There were no items in the Chairperson letter that required a response.



- 7 What actions, if necessary, did the State initiate as a result of issues raised in the Chairperson's letter from the previous year? Did actions correct or address deficiencies from previous year's evaluation? (No response is necessary if no items are requested in letter and mark "Yes") (Chapter 8.1) Previous Question A.8/A.9 1 1
Yes = 1 No = 0

SLR Notes:

There were no actions required by the KPSC resulting from the Chairperson letter.

Personnel and Qualifications

- 8 Has each inspector fulfilled the 3 year TQ training requirement? If No, has the state been granted a waiver regarding TQ courses by the Associate Administrator for Pipeline Safety? (NOTE: If the State has new inspectors who have not attended all TQ courses, but are in a program which will achieve the completion of all applicable courses within 3 years of taking first course (5 years to successfully complete), or if a waiver has been granted by the applicable Region Director for the state, please answer yes.) (Chapter 4.4) Previous Question A.10 3 3
Yes = 3 No = 0

SLR Notes:

Two inspectors have completed the required courses. Two inspectors have not reached the five year deadline to successfully complete the core courses. The most recently hired inspectors are progressing in attending the required number of courses within the 3 year timeframe and the 5 year completion requirement.

- 9 Brief Description of Non-TQ training Activities: Info Only Info Only
Info Only = No Points
For State Personnel:
The KPSC has participated in various training opportunities with the Kentucky Gas Association.
For Operators:
None during 2009.
For Non-Operator Entities/Parties, Information Dissemination, Public Meetings:
The KPSC has continued its interactions with local fire departments.

SLR Notes:

See notes above.

- 10 Did the lead inspectors complete all required T&Q OQ courses and Computer Based Training (CBT) before conducting OQ Inspections? (Chapter 4.4.1) Previous Question A.12 1 1
Yes = 1 No = 0

SLR Notes:

Yes. Upon a review of the OQ database and training records, the inspectors assigned to lead OQ inspections completed the required training prior to the time inspections were conducted.

- 11 Did the lead inspectors complete all required TQ Integrity Management (IMP) Courses/Seminars and CBT before conducting IMP Inspections? (Chapter 4.4.1) Previous Question A.13 1 1
Yes = 1 No = 0

SLR Notes:

Upon a review of PHMSA Training and Qualification records and IMP inspection files, inspectors assigned to IMP inspections completed the required training prior to the inspections.

- 12 Was the ratio acceptable of Total inspection Person-days to Total Person-days charged to the program by state inspectors? (Region Director may modify points for just cause) (Chapter 4.3) Previous Question B.12 5 5
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):

463.00

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

220 X 2.98 = 655.60

Ratio: A / B

463.00 / 655.60 = 0.71

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

Points = 5

SLR Notes:

The KPSC had 463 inspection person days during 2009. The KPSC assigned 2.98 person years to the natural gas pipeline safety program. The calculated ratio of inspection person days to person years is .71 which is the minimum ratio of .038.

13 Have there been modifications or proposed changes to inspector-staffing levels? (If yes, describe) Previous Info Only Info Only
Question B.13
Info Only = No Points

SLR Notes:

There were no inspector staffing level changes during 2009. No changes are proposed.

14 Part-A General Comments/Regional Observations Info Only Info Only
Info Only = No Points

SLR Notes:

The KPSC has generally complied with the requirements of Part A.

Total points scored for this section: 26
Total possible points for this section: 26



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

Points(MAX) Score

Inspection Procedures

- | | | | |
|----------|--|---|---|
| 1 | Does the State have a written inspection plan to complete the following? (all types of operators including LNG) (Chapter 5.1) Previous Question B.1 + Chapter 5 Changes + Incorporate LNG
<small>Yes = 6.5 No = 0 Needs Improvement = 50% Deduction</small> | 6.5 | 6.5 |
| a | Standard Inspections (Including LNG) (Max points = 2) | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b | IMP Inspections (Including DIMP) (Max points = .5) | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c | OQ Inspections (Max points = .5) | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d | Damage Prevention (Max points = .5) | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e | On-Site Operator Training (Max points = .5) | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| f | Construction Inspections (Max points = .5) | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| g | Incident/Accident Investigations (Max points = 1) | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| h | Compliance Follow-up (Max points = 1) | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

SLR Notes:

The KPSC creates a spreadsheet at the beginning of the year that shows scheduled inspections during the year. The schedule is developed in consideration of procedures outlined in its office procedures. The KPSC developed a risk ranking process during 2009 that it will implement for 2010 inspections. The risk ranking process will be incorporated into its written office procedures.

- | | | | |
|----------|---|---|---|
| 2 | Did the written Procedures for selecting operators adequately address key concerns? (Chapter 5.1) Previous Question B.2, items a-d are worth .5 point each
<small>Yes = 2 No = 0 Needs Improvement = 50% Deduction</small> | 2 | 2 |
| a | Length of time since last inspection | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b | History of Operator/unit and/or location (including leakage , incident and compliance history) | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c | Type of activity being undertaken by operator (construction etc) | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d | For large operators, rotation of locations inspected | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

SLR Notes:

The KPSC's written office procedures for 2009 inspections requires operators to be inspected at least once each three years. The length of time since the last inspection is the key driver for scheduling inspections during 2009. The KPSC is transitioning into a risk based scheduling process for its 2010 inspections.

Inspection Performance

- | | | | |
|----------|---|---|---|
| 3 | Did the state inspect all types of operators and inspection units in accordance with time intervals established in its written procedures? (Chapter 5.1) Previous Question B.3
<small>Yes = 2 No = 0</small> | 2 | 2 |
|----------|---|---|---|

SLR Notes:

Upon a review of a summary sheet showing inspections conducted during 2009, it appeared that the KPSC complied with its once every three year requirement established in its written office procedures.

- | | | | |
|----------|--|---|---|
| 4 | Did the state inspection form cover all applicable code requirements addressed on the Federal Inspection forms? (Chapter 5.1 (3)) Previous Question B.4
<small>Yes = 1 No = 0</small> | 1 | 1 |
|----------|--|---|---|

SLR Notes:

The KPSC uses the federal inspection forms to conduct its inspections. Upon a review of randomly selected inspection report files, the inspection were documented on the federal inspection forms and were fully completed.

- | | | | |
|----------|--|---|---|
| 5 | Did state complete all applicable portions of inspection forms? (Chapter 5.1 (3)) Previous Question B.5
<small>Yes = 1 No = 0</small> | 1 | 1 |
|----------|--|---|---|

SLR Notes:

Upon a review of randomly selected inspection files, the inspection forms were fully completed.

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

SLR Notes:

There were no safety related condition reports filed by an operator in Kentucky during 2009.

- | | | | |
|----------|--|----|----|
| 7 | Did the state review operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken? (NTSB) Previous Question B.7
Yes = .5 No = 0 | .5 | .5 |
|----------|--|----|----|

SLR Notes:

Yes. The KPSC reviews this issue when conducting an operator headquarter's inspection which covers operation and maintenance of the operator. The KPSC also provides a listing of advisory bulletins to operators when conducting standard inspections.

- | | | | |
|----------|---|----|----|
| 8 | Did the state review operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance) (NTSB) Previous Question B.8
Yes = .5 No = 0 | .5 | .5 |
|----------|---|----|----|

SLR Notes:

Yes. The KPSC considers cast iron mains a prime risk factor for pipeline safety. The KPSC encourages operators to have cast iron replacement programs. The KPSC reviews this issue when conducting an review of operator's operation and maintenance procedures. The KPSC provides a listing of advisory bulletins to operators when conducting standard inspections.

- | | | | |
|----------|--|----|----|
| 9 | Did the state review operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21? (NTSB) Previous Question B.9
Yes = .5 No = 0 | .5 | .5 |
|----------|--|----|----|

SLR Notes:

Yes. The KPSC verifies that operator's procedures have procedures to identify the extent of migration of underground leaks when reviewing operator's emergency procedures and leak response procedures. The KPSC reviews leak survey and leak repair records during its standard inspections.

- | | | | |
|-----------|--|---|---|
| 10 | Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 192.617? (NTSB) Previous Question B.10
Yes = 1 No = 0 | 1 | 1 |
|-----------|--|---|---|

SLR Notes:

Yes. The KPSC's standard inspection covers Part 192.617 requirements on the federal inspection form. The KPSC reviews leak repair records during its inspections.

Compliance - 60105(a) States

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

SLR Notes:

Upon a review of randomly selected inspection reports completed in 2009, probable violations (term "deficiency" is used by the KPSC) were documented with descriptions of the operator's actions or lack of actions that resulted in a probable violation.

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

SLR Notes:

Yes. The KPSC's procedures provide the operators with 30 days to respond to alleged probable violations. A form for the operator to complete (if a deficiency is found) is included with the letter to the operator detailing the results of each inspection. The operator must complete the three questions on the form for the KPSC to consider closing the file on the inspection. The operator has the opportunity to argue their case if they feel like a probable violation did not occur.

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

SLR Notes:

Yes. Probable violations are documented in written notification provided to the operator. An attachment to the letter describes what actions or lack of actions on the part of the operator that caused a probable violation of pipeline safety regulations.



- 14** Does the state have a written procedure for routinely reviewing the progress of compliance actions to prevent delays or breakdowns of the enforcement process, as required by the "Guidelines for States Participating in the Pipeline Safety Program"? (Chapter 5.1(5)) Previous Question D(1).3 1 1
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Yes. The KPSC includes a Deficiency Transaction Report (DTR) for each probable violation is communicated to operators. The DTR provides three questions to be answered by the operators to document their corrective actions. The DTR also shows the required response date also contained in the written notification. The procedures state that follow up inspections are scheduled after written notification of non compliance has been sent to an operator. Each inspection report describes the status of deficiencies found in previous inspections. Deficiency information is entered into the inspection database which can be used to report the status of probable violations.

- 15** Has the State issued compliance actions for all probable violations discovered? (Note : PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation) Previous Question D(1).4 1 1
 Yes = 1 No = 0

SLR Notes:

Upon a review of randomly selected inspection reports, all inspections that discovered probable violations were followed up with written notifications of non compliance. The KPSC issued 75 compliance actions during 2009.

- 16** Did the state follow its written procedures for reviewing compliance actions and follow-up to determine that prompt corrective actions were taken by operators, within the time frames established by the procedures and compliance correspondence, as required by the "Guidelines for States Participating in the Pipeline Safety Program"? Previous Question D(1).5 1 1
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Upon a review of randomly selected inspection report files, follow up inspection documentation was present to indicate that corrective actions had taken place or another follow up inspection was scheduled for a later date when corrective actions were not completed.

- 17** If compliance could not be established by other means, did state pipeline safety program staff request formal action, such as a "Show Cause Hearing" to correct pipeline safety violations? (check each states enforcement procedures) Previous Question D(1).6 1 1
 No = 0 Yes = 1

SLR Notes:

A show cause hearing was requested in 2008 for an enforcement action started in 2007. There were no show cause hearings sought during 2009.

- 18** Did the state adequately document the resolution of probable violations? (Chapter 5.1 (6)) Previous Question D(1).7 1 1
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Yes. The KPSC had completed DTR's from operators in its files. The KPSC also documents the date that operators corrective actions were accepted by the KPSC. This date is entered into the inspection database.

- 19** Were compliance actions sent to a company officer? (manager or board member if municipal/government system) (Chapter 5.1(4)) Previous Question D(1).8 .5 .5
 Yes = .5 No = 0

SLR Notes:

Upon a review of randomly selected inspection files, non compliance letters were addressed to company officers of private companies and highest public official of publicly owned operators.

- 20** Did the compliance proceedings give reasonable due process to all parties? (check each states enforcement procedures) Previous Question D(1).9 1 1
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Operators are given an opportunity to provide information that disputes that a probable violation did not occur. If not satisfied with pipeline safety's decision an operator can petition the Commissioners for a "show cause" hearing.

Compliance - 60106(a) States

- 21** Did the state use the current federal inspection form(s)? Previous Question D(2).1 1 NA
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

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

SLR Notes:

23 Were any probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) Previous Question D(2).3 1 NA
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

24 Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? Previous Question D(2).4 1 NA
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

25 Did the state give written notice to PHMSA within 60 days of all probable violations found? Previous Question D(2).5 1 NA
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

26 Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? Previous Question D(2).6 1 NA
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

27 Part B: General Comments/Regional Observations Info Only Info Only
Info Only = No Points

SLR Notes:

The KPSC has generally complied with the requirements of Part B.

Total points scored for this section: 24.5
Total possible points for this section: 24.5



PART C - Interstate Agent States

Points(MAX) Score

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

SLR Notes:

The KPSC is not an interstate agent.

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

SLR Notes:

The KPSC is not an interstate agent.

3 Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? Previous Question D(3).3 1 NA
Yes = 1 No = 0

SLR Notes:

The KPSC is not an interstate agent.

4 Were any probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) Previous Question D(3).4 1 NA
Yes = 1 No = 0

SLR Notes:

The KPSC is not an interstate agent.

5 Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? Previous Question D(3).5 1 NA
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

The KPSC is not an interstate agent.

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

SLR Notes:

The KPSC is not an interstate agent.

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

SLR Notes:

The KPSC is not an interstate agent.

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

SLR Notes:

The KPSC is not an interstate agent.

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



PART D - Incident Investigations

Points(MAX) Score

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

SLR Notes:

The KPSC followed the procedures to cooperate with PHMSA in the investigation of reportable incidents during the two incidents that occurred in 2009. The KPSC kept the Southern Region Office informed of the facts surrounding the incident and the status of its investigation.

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

SLR Notes:

There was not an occasion to interface with the NTSB during 2009. The KPSC exhibited knowledge of the MOU between PHMSA and the NTSB. The KPSC understands the agreement of cooperation within the MOU.

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

SLR Notes:

Yes. The KPSC maintains a log of telephonic reports. The two incidents occurring in 2009, Owensboro, KY and Whitley, KY. The incidents were found on the log.

The log is used to ensure that operators file written reports of the incident within the required timeframe. It is also used to track the KPSC's investigation findings and follow up on any non-compliance issues found.

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

SLR Notes:

The incident on Citipower, LLC's pipeline occurring on September 1, 2009 near Whitley, KY was investigated by telephone interviews and obtaining written communication and operator investigation report. The earth work contractor working for McCreary County did not make a request to Kentucky one call center or the operator for a locate.

The other incident reported in 2009 was investigated in the field by the KPSC.

- | | | | |
|----|---|--------------------------------------|--|
| 5 | Were investigations thorough and conclusions and recommendations documented in an acceptable manner? Previous Question E.5, comprehensive question worth 2 points total
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
| a. | Observations and Document Review | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Contributing Factors | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Recommendations to prevent recurrences where appropriate | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

SLR Notes:

The incident that occurred in Whitley, KY was investigated through telephone interviews and documentation forwarded from the operator. The cause was clear that the excavator had failed to request a locate through the Kentucky one call center. No probable violations were found.

The incident that occurred in Owensboro, KY was investigated in the field and from documentation requested of the operator. A vehicle left the roadway and struck an aboveground regulator station. The escaping gas ignited and contributed to the fatality of the vehicle's driver. The regulator station was barricaded with steel pipe but the vehicle still impacted the aboveground piping. No probable violations were found that contributed to the incident. The KPSC was concerned about the amount time taken to stop the flow of gas through the regulator station. The KPSC recommended that the operator have piping schematics available to its emergency response personnel indicating valves to be used to shut down the flow of gas.

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

SLR Notes:

There were no probable violations found from investigating the two reportable incidents that occurred during 2009.



- 7 Did the state assist region office by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA? (validate annual report data from operators concerning incidents/accidents and investigate discrepancies) (Chapter 6) Previous Question E.7/E.8 .5 0
Yes = .5 No = 0

SLR Notes:

Needs Improvement. According to the Online Data Entry System (ODES), there were nine (9) outstanding Incident Reports passed to Kentucky for follow-up and closure recommendation to PHMSA; seven (7) were from 2006 through 2009 and were tagged as "apparent cause of incident not specified." The KPSC should set a priority to follow up on the incident reports to obtain closure of the reports.

- 8 Part D: General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

Question D.7 - According to the Online Data Entry System (ODES), there were nine (9) outstanding Incident Reports passed to Kentucky for follow-up and closure recommendation to PHMSA; seven (7) were from 2006 through 2009 and were tagged as "apparent cause of incident not specified." The KPSC should set a priority to follow up on the incident reports to obtain closure of the reports. 0.5 points could not be given on Question D.7.

Total points scored for this section: 6.5

Total possible points for this section: 7



PART E - Damage Prevention Initiatives

Points(MAX) Score

- | | | | |
|----------|--|---|---|
| 1 | Has the state reviewed directional drilling/boring procedures of each pipeline operator or its contractor to determine if they include actions to protect their facilities from the dangers posed by drilling and other trench less technologies? Previous Question B.11
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

SLR Notes:

Yes. The KPSC has verified that operators have included directional/boring procedures in their Operation and Maintenance Procedures. The KPSC initiated these reviews prior to 2007 and continues them during its inspection of operators' operation and maintenance procedures.

- | | | | |
|----------|--|---|---|
| 2 | Did the state inspector check to assure the pipeline operator is following its written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system? New 2008
Yes = 2 No = 0 | 2 | 2 |
|----------|--|---|---|

SLR Notes:

Yes. During standard inspections, the KPSC reviews operators' damage prevention programs and verifies from operator records that the damage prevention programs are being followed. The KPSC covers these requirements on the portion of the inspection form covering Part 192.614.

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

SLR Notes:

Jason Brangers represents NAPS on the CGA Best Practices Committee. The KPSC has added an item on the federal standard inspection form to promote best practices to operators. The KPSC promoted the best practices in presentations at industry gatherings.

- | | | | |
|----------|---|---|---|
| 4 | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests? New 2008
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

Kentucky 811 receives "damage tickets" when a damage occurs and the operator requests a relocate. Trends and statistics concerning damages are discussed during KY811 board meetings, in which the PSC participates. KY 811 enters this information into the DIRT reporting system and has had virtual private DIRT for KY since October 2007. Operators are encouraged to input damage information into DIRT. Information collected by Kentucky 811 shows an increase in membership and a decrease in damages in recent years.

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

SLR Notes:

The KPSC reviews operator's records on leaks and failures upon completing 192.617 requirements portion of the federal inspection form.

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

SLR Notes:

The KPSC is generally complying with the other requirements contained in Part E of this evaluation.

Total points scored for this section: 9
Total possible points for this section: 9



PART F - Field Inspection

Points(MAX) Score

1 Operator, Inspector, Location, Date and PHMSA Representative Info Only Info Only
Info Only = No Points

Name of Operator Inspected:
Columbia Gas (Frankfort and Maysville Areas)
Name of State Inspector(s) Observed:
Steven Samples and Joel Grugin
Location of Inspection:
Field Inspection of the Frankfort and Maysville Area
Date of Inspection:
8/10-11/2010
Name of PHMSA Representative:
Dale Bennett

SLR Notes:

Joel Grugin and Steve Samples took turns leading the inspection for the KPSC. The operator was represented by its operations supervisor and compliance representative.

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

SLR Notes:

Yes. The operator was notified on 7/21/2010, prior to the inspection. Operator's representatives were present during the inspection.

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

SLR Notes:

Yes. The KPSC inspector used the federal inspection form for gas distribution operators. The form was the latest version that was revised in March, 2010.

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

SLR Notes:

Yes. The inspector marked the "check off" columns for each item on the federal form. If unsatisfactory was checked, an explanation of the non compliance issue was provided in the comments sections.

5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps, pyrometer, soap spray, CGI, etc.) New 2008 1 1
Yes = 1 No = 0

SLR Notes:

Yes. The inspector checked that the operator representatives had testing equipment for odorant checks, voltmeters, half cells for cathodic protection readings and leak detection equipment for finding leaks. The inspector checked records to verify that testing equipment met manufacturer's recommendations for calibration of the instruments.

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

SLR Notes:

The KPSC conducted a standard inspection of Columbia Gas distribution facility. The inspection was conducted on August 10th and 11th.

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

- a. Procedures
- b. Records
- c. Field Activities/Facilities

d. Other (Please Comment)

SLR Notes:

The KPSC reviewed the operator's procedures, operation and maintenance records and observed test readings taken in the field. The KPSC covered records and readings in the field on Tuesday, August 10th. On the day of the evaluation observation, August 11th, the KPSC reviewed additional records and the operator's procedures manual.

8 Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Liaison will document reasons if unacceptable) Previous Question F.8 2 2
Yes = 2 No = 0

SLR Notes:

Yes. Both inspectors have several years experience in gas pipeline operations experience and have taken a number of classes at PHMSA's Training and Qualification training facility.

9 Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) Previous Question F.10 1 1
Yes = 1 No = 0

SLR Notes:

Yes. The KPSC inspectors provided the operator's representatives with a briefing of his findings for the two day inspection.

10 During the exit interview, did the inspector identify probable violations found during the inspections? Previous Question F.11 1 1
Yes = 1 No = 0

SLR Notes:

Yes. The KPSC lead inspector described the probable violations that were found during the inspection. The KPSC inspector also provided an explanation of the written notification that would be sent and the follow up process until the corrections actions are verified.

11 What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) Info Only Info Only
Info Only = No Points

SLR Notes:

The observation of test readings taken in the field on odorant levels. cathodic test point readings and overpressure protection pressure set point readings.

12 Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) Info Only Info Only
Info Only = No Points

SLR Notes:

There were no inspection activities observed that were identified as best practices to be shared with other states.

13 Field Observation Areas Observed (check all that apply) Info Only Info Only
Info Only = No Points

- a. Abandonment
- b. Abnormal Operations
- c. Break-Out Tanks
- d. Compressor or Pump Stations
- e. Change in Class Location
- f. Casings
- g. Cathodic Protection
- h. Cast-iron Replacement
- i. Damage Prevention
- j. Deactivation
- k. Emergency Procedures
- l. Inspection of Right-of-Way
- m. Line Markers
- n. Liaison with Public Officials
- o. Leak Surveys
- p. MOP



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

SLR Notes:

Either records were reviewed or test readings were observed for the items checked above.

14 Part F: General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

The KPSC inspectors generally met the requirements for this portion of the evaluation. The inspectors conducted themselves in a professional manner and treated the operator's personnel with respect.

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



PART G - PHMSA Initiatives - Strategic Plan

Points(MAX) Score

Risk base Inspections - Targeting High Risk Areas

- 1** Does state have process to identify high risk inspection units? 1.5 1.5
Yes = 1.5 No = 0
Risk Factors (criteria) to consider may include:
Miles of HCA's, Geographic area, Population Density
Length of time since last inspection
History of Individual Operator units (leakage, incident and compliance history, etc.)
Threats - (Excavation Damage, Corrosion, Natural Forces, Other Outside Forces, Material or Welds, Equipment, Operations, Other)

SLR Notes:

The KPSC developed a spreadsheet which provides a relative risk ranking of pipeline operators' systems based upon certain criteria. The relative risk ranking results will be used each year to prioritize the KPSC's inspection schedule.

- 2** Are inspection units broken down appropriately? (see definitions in Guidelines) .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes. The inspection units are established consistent with the description in the "Guidelines For State Pipeline Programs" (Guideline).

- 3** Consideration of operators DIMP Plan? (if available and pending rulemaking) Info Only Info Only
Info Only = No Points

SLR Notes:

Operators are not required to have DIMP Plans until August, 2011.

- 4** Does state inspection process target high risk areas? .5 0.5
Yes = .5 No = 0

SLR Notes:

The KPSC utilizes the investigators knowledge to identify high risk areas and conduct focused inspections. The KPSC has incorporated the investigators knowledge in quantifying the relative risks of operators' system. The KPSC places an emphasis on following up with operators based upon regulations compliance history.

Use of Data to Help Drive Program Priority and Inspections

- 5** Does state use data to analyze effectiveness of damage prevention efforts in the state? (DIRT or other data, etc) .5 0.5
Yes = .5 No = 0

SLR Notes:

Kentucky 811 receives "damage tickets" when a damage occurs and the operator requests a relocate. Trends and statistics concerning damages are discussed during KY811 board meetings, in which the PSC participates. KY 811 enters this information into the DIRT reporting system and has had virtual private DIRT for KY since October 2007. Operators are encouraged to input damage information into DIRT. Information collected by Kentucky 811 shows an increase in membership and a decrease in damages. The PSC annually reviews the "DIRT Report" as produced and distributed by the Common Ground Alliance (CGA). The PSC receives and responds to calls concerning third party damage involving jurisdictional pipelines and works through the One-call Grant to promote effective damage prevention efforts. In addition, Kentucky 811 receives damage statistics and information from one of the largest phone companies in Kentucky and identifies "hot spots" for damage to underground facilities. This information is used as a correlation between all utilities and helps in identifying areas where targeted damage prevention efforts are needed.

- 6** Has state reviewed data on Operator Annual reports for accuracy? .5 0.5
Yes = .5 No = 0

SLR Notes:

The KPSC reviews operators' annual reports each year as they are submitted. The operators are informed of any inconsistencies found during the reviews.

- 7** Has state analyzed annual report data for trends and operator issues? .5 0.5
Yes = .5 No = 0

SLR Notes:

The KPSC monitors the mileage of cast iron and bare steel mains remaining in each operator's system and the total mileage within the state. The KPSC reviews trends on leak repair and lost and unaccounted for gas data. The KPSC will be incorporating this data into its relative risk ranking model.

8 Has state reviewed data on Incident/Accident reports for accuracy? .5 0.5
 Yes = .5 No = 0

SLR Notes:

Yes. The KPSC reviews data on incident reports to ensure that the reports are complete (all entries are completed), the proper status is checked (original, supplemental or final), and that the operator's stated cause of the gas release is reasonable and is consistent with the KPSC's investigation.

9 Does state do evaluation of effectiveness of program based on data? (i.e. performance measures, trends, etc.) .5 0.5
 Yes = .5 No = 0

SLR Notes:

The KPSC has viewed cast iron main as a key risk factor in the gas distribution pipeline portion of its regulatory oversight. The KPSC tracks the mileage of cast iron mains remaining in Kentucky each year from data provided by operators on their Annual Reports. However, the KPSC should develop additional performance measures to assess the effectiveness of its pipeline safety program? Track length of time since last inspection, deficiencies, incidents, system characteristics.

10 Did the State input all operator qualification inspection results into web based database provided by PHMSA in a timely manner upon completion of OQ inspections? Previous Question B.15 .5 0
 Yes = .5 No = 0

SLR Notes:

No. Upon a review of the KPSC state page on the OQ database, OQ inspection protocol forms have not been uploaded to the OQ database. 0.5 points could not be given for Question G.10 of this evaluation.

11 Did the State submit their replies into the Integrity Management Database (IMDB) in response to the Operators notifications for their integrity management program? Previous Question B.16 .5 NA
 Yes = .5 No = 0

SLR Notes:

There were no notifications in the IMP Database during 2009.

12 Have the IMP Federal Protocol forms been uploaded to the IMDB? Previous Question B.17 .5 0.5
 Yes = .5 No = 0

SLR Notes:

The KPSC has uploaded the Protocol forms for the IMP inspections that have been completed (IMP inspections for four out of a possible 37 plus operators). The KPSC's ability to conduct IMP inspections has been impacted by the turn over in its inspection staff. The KPSC must place a higher priority on completing Gas IMP inspections for all operators of gas transmission pipelines. No points were deducted because the KPSC has uploaded all protocol forms for the IMP inspections it has completed albeit a small percentage of those requiring an IMP inspection.

13 Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? Previous Question B.18 .5 0.5
 Yes = .5 No = 0

SLR Notes:

Yes. Operators have been requested to monitor plastic pipe and component failures. The KPSC reviews this information when verifying that operators have complied with 192.617.

14 Has state confirmed transmission operators have submitted information into National Pipeline Mapping System (NPMS) database along with any changes made after original submission? .5 0.5
 Yes = .5 No = 0

SLR Notes:

The PSC's GIS department routinely uses the NPMS and reviews data submitted by operators within Kentucky. The GIS department confirmed that transmission operators submitted information into NPMS during the original submission of data (along with changes); however, the KPSC may consider a review to follow up on changes since original submission.

Accident/Incident Investigation Learning and Sharing Lessons Learned

15 Has state shared lessons learned from incidents/accidents? (i.e. NAPSRS meetings and communications) .5 0.5
 Yes = .5 No = 0

SLR Notes:

Yes. The KPSC presented an update of its program at the NAPSRS Southern Region Meeting held in April, 2009. The KPSC included a topic on the incidents that occurred in Kentucky since the previous NAPSRS Southern Region meeting.

16 Does the State support data gathering efforts concerning accidents? (Frequency/Consequence/etc) .5 0.5
 Yes = .5 No = 0

SLR Notes:

There were no requests for information on accidents received by the KPSC. Jason Brangers served on the joint NAPS/R/PHMSA Data Team thereby supporting this effort.

17	Does state have incident/accident criteria for conducting root cause analysis? Info Only = No Points	Info Only	Info Only
-----------	---	-----------	-----------

SLR Notes:

No. The KPSC has not received training on root cause analysis. Once training is completed, the KPSC will develop criteria.

18	Does state conduct root cause analysis on incidents/accidents in state? Info Only = No Points	Info Only	Info Only
-----------	--	-----------	-----------

SLR Notes:

The KPSC has not incorporated the root cause analysis technique into its investigative procedures at this time.

19	Has state participated on root cause analysis training? (can also be on wait list) Yes = .5 No = 0	.5	0.5
-----------	---	----	-----

SLR Notes:

Individual training has been requested and are presently on waitlist.

Transparency - Communication with Stakeholders

20	Other than pipeline safety seminar does State communicate with stakeholders? (Communicate program data, pub awareness, etc.) Yes = .5 No = 0	.5	0.5
-----------	---	----	-----

SLR Notes:

The KPSC participates in Kentucky Gas Association meetings and conferences, Common Ground Alliance committee meetings and Kentucky 811 Board Meetings.

21	Does state share enforcement data with public? (Website, newsletters, docket access, etc.) Yes = .5 No = 0	.5	0.5
-----------	---	----	-----

SLR Notes:

Enforcement action that results in a docketed case can be accessed by the public through the KPSC's website and docket system. The KPSC has not developed summary enforcement data that can be shared with the public at this time. The KPSC plans to work with its IT group to place a summary of its inspection and enforcement statistics on the KPSC website in the future. Presentations at KGA to discuss top five deficiencies found each year. Enforcement data is used to discuss issues with the KGA Education committee meetings that Jason Brangers attends.

22	Part G: General Comments/Regional Observations Info Only = No Points	Info Only	Info Only
-----------	---	-----------	-----------

SLR Notes:

Question G.9 - The KPSC should develop additional performance measures to assess the effectiveness of its pipeline safety program? Track length of time since last inspection, deficiencies, incidents, system characteristics. No points were deducted from this observation.

Question G.10 - Upon a review of the KPSC state page on the OQ database, OQ inspection protocol forms have not been uploaded to the OQ database. 0.5 points could not be given for Question G.10 of this evaluation.

Total points scored for this section: 9
Total possible points for this section: 9.5



PART H - Miscellaneous

Points(MAX) Score

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

SLR Notes:

1. Inspections were scheduled using the risk-based approach and were completed without any carryover for next year.
2. Show-cause and hearing scheduled on operator with history of safety issues
3. Emphasis on construction inspections
4. Emphasis on OQ field inspections and submittal to PHMSA Database
5. Continued IMP inspection program
6. NAPSR Southern Region Vice-Chair
7. NAPSR Data Team member
8. NAPSR Liaison Committee member
9. CGA Best Practices Committee member, task team participant
10. CGA OCSI Committee participant
11. KGA Education Committee member

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

SLR Notes:

Legislation is still being considered for farm tap statutes in order to clarify current statutes and increase jurisdiction to include "free farm tap customers". Legislation concerning membership requirements for all owners/operators of underground facilities was proposed in 2009, but was not enacted. Changes to the damage prevention regulations (aka "dig laws") are being considered as well in order to more closely follow the nine elements of an effective damage prevention program (enforcement, membership, etc.). Discussions are taking place to conduct more trainings throughout the year, to include the T&Q seminar every two years, DIMP and SHRIMP workshops (especially targeting smaller operators), training for municipality personnel (mayors, board of directors, city managers, etc) to better understand their gas department, state and federal regulations, and pipeline safety requirements, with the possibility of making it a statutory requirement.

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

SLR Notes:

The KPSC was instrumental in the consolidation of some small systems into the control of a larger operator which mitigated the risk of operator error due to the limited capabilities of the existing operating personnel.

The KPSC has identified cast iron mains as a key risk factor for pipeline safety in Kentucky. The KPSC continues to encourage the replacement of cast iron mains. The KPSC's data shows that cast iron main mileage is trending downward.

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

SLR Notes:

Yes, the state participated in and responded to surveys or information requests from NAPSR and/or PHMSA (including surveys concerning User Fees, Fire-First/Incident Reporting, State Budget Cuts, and Refresher Training). Furthermore, Mr. Brangers is on the NAPSR Liaison Committee which conducts the surveys on behalf of NAPSR and PHMSA, assists in developing the survey questions, and reviews the survey before sending to all program managers.

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

SLR Notes:

The KPSC has shared its practices with other states in NAPSR Southern Region meetings and has participated on the NAPSR/PHMSA data team initiative.

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

SLR Notes:

The KPSC has generally complied with the requirements of Part H of this evaluation.

Total points scored for this section: 3
Total possible points for this section: 3



PART I - Program Initiatives

Points(MAX) Score

Drug and Alcohol Testing (49 CFR Part 199)

- | | | | |
|----------|---|---|---|
| 1 | Has the state verified that operators have drug and alcohol testing programs?
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

The KPSC has completed the review of all operators' drug and alcohol testing programs. The KPSC reviews testing records as part of its standard inspection and has followed up with plan reviews when Part 199 rules have been amended. The KPSC conducted 52 drug and alcohol program inspections during 2009.

- | | | | |
|----------|--|----|-----|
| 2 | Is the state verifying that operators are conducting the drug and alcohol tests required by the operators program (random, post-incident, etc.)
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

The KPSC conducted 52 drug and alcohol program inspections during 2009. Operators records are reviewed during standard inspections to verify random drug testing rates exceed 25 percent. The KPSC checks records of tests for cause or post incident tests of employees who may have been involved in an incident.

- | | | | |
|----------|---|----|-----|
| 3 | Is the state verifying that any positive tests are responded to in accordance with the operator's program?
Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

SLR Notes:

If positive results are shown in an operator's records, the KPSC questions operators of the actions taken as a result of the positive test(s). The KPSC compares the action taken with the process described in the operator's plan.

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

- | | | | |
|----------|---|---|---|
| 4 | Has the state verified that operators have a written qualification program?
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

Yes. The KPSC has completed the review of all operators' Operator Qualification Plans. The results of these inspections have not been uploaded to PHMSA's OQ database.

- | | | | |
|----------|--|----|-----|
| 5 | Has the state reviewed operator qualification programs for compliance with PHMSA rules and protocols?
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

The KPSC used the federal protocol forms to inspect operators' OQ Plans. The completed protocol forms have not been uploaded into PHMSA's OQ database.

- | | | | |
|----------|--|----|-----|
| 6 | Is the state verifying that persons who perform covered tasks for the operator are qualified in accordance with the operator's program?
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

The KPSC reviews OQ Qualification records as a part of its standard inspections. The verifies that requalifications are performed within the timeframes established in the operator's OQ Plan.

- | | | | |
|----------|--|----|-----|
| 7 | Is the state verifying that persons who perform covered task for the operator are requalified at the intervals specified in the operator's program?
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

Yes. The KPSC has used the Protocol 9 form to confirm that operator personnel can perform the task as described in the operator's plans. The KPSC verifies that personnel possess qualification documentation. As of the end of 2009 the results of Protocol 9 inspections have not been uploaded to PHMSA's OQ database.

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

- | | | | |
|----------|--|---|---|
| 8 | Has the state verified that all operators with transmission pipelines have either adopted an integrity management program (IMP), or have properly determined that one is not required?
Yes = 1 No = 0 | 1 | 0 |
|----------|--|---|---|

SLR Notes:

The KPSC has not completed an Integrity Management Plan inspection for all operators that have gas transmission pipelines. The KYPSC's 2010 Certification shows there are 37 intrastate gas transmission operators in Kentucky. The Gas IMP database indicates that the KPSC has completed IMP inspections on four operators. This issue was communicated in the 2008 program evaluation. The KPSC should place a higher priority on completing IMP inspections. 1.0 point could not be given for this question.

9	Has the state verified that in determining whether a plan is required, the operator correctly calculated the potential impact radii and properly applied the definition of a high consequence area? <small>Yes = .5 No = 0</small>	.5	0.5
----------	---	----	-----

SLR Notes:

For the Gas IMP inspections that the KPSC has completed, the KPSC used and completed all information in the protocol forms while conducting its inspections of Integrity Management Plans. The protocol form covers this requirement. The KPSC has not completed Gas IMP inspections for all of the gas transmission operators under its jurisdiction.

10	Has the state reviewed operator IMPs for compliance with Subpart O? (In accordance with State Inspection plan) <small>Yes = .5 No = 0</small>	.5	0.5
-----------	--	----	-----

SLR Notes:

The KPSC uses the Integrity Management Plan inspection protocols while conducting its IMP inspections. The protocol forms covers the requirements in Subpart O. The KPSC has not completed Gas IMP inspections for all of the gas transmission operators under its jurisdiction.

11	Is the state monitoring operator progress on the inspections, tests and remedial actions required by the operator's IMP, including that they are being done in the manner and schedule called for in its IMP? <small>Yes = .5 No = 0</small>	.5	0.5
-----------	---	----	-----

SLR Notes:

The KPSC uses the Integrity Management Plan inspection protocols while conducting its IMP inspections. The protocol forms covers the requirements for tests and remedial actions. The KPSC has not completed Gas IMP inspections for all of the gas transmission operators under its jurisdiction.

12	Is the state verifying that operators are periodically examining their transmission line routes for the appearance of new HCAs? <small>Yes = .5 No = 0</small>	.5	0.5
-----------	---	----	-----

SLR Notes:

The KPSC uses the Integrity Management Plan inspection protocols while conducting its IMP inspections. The protocol forms covers the requirements for operators to examine for new HCA's. The KPSC has not completed Gas IMP inspections for all of the gas transmission operators under its jurisdiction.

Public Awareness (49 CFR Section 192.616)

13	Has the state verified that each operator has developed a continuing public awareness program? (due date was 6/20/06 for most operators, 6/20/07 for certain very small operators, 6/13/08 for master meters) <small>Yes = .5 No = 0</small>	.5	0.5
-----------	---	----	-----

SLR Notes:

The KPSC has completed a review of operators' Public Awareness Plans through participation in the Public Awareness Clearinghouse. The KPSC verified that all operators submitted their Public Awareness Plans within the timeframe prescribed by the regulations.

14	Has the state reviewed the content of these programs for compliance with 192.616 (by participating in the Clearinghouse or by other means)? <small>Yes = .5 No = 0</small>	.5	0.5
-----------	---	----	-----

SLR Notes:

The KPSC participated in the Public Awareness Clearinghouse review. The KPSC sent notifications of deficiencies to operators if the review found deficiencies. The KPSC has followed up with operators on any deficiencies identified by the review of the Public Awareness Clearinghouse.

15	Is the state verifying that operators are conducting the public awareness activities called for in its program? <small>Yes = .5 No = 0</small>	.5	0.5
-----------	---	----	-----

SLR Notes:

During standard inspections, the KPSC reviews public awareness records to determine if operators are following through with their public awareness programs.

16	Is the state verifying that operators have evaluated their Public Awareness programs for effectiveness as described in RP1162? <small>Info Only = No Points</small>	Info Only	Info Only
-----------	--	-----------	-----------

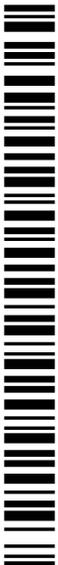
SLR Notes:

The KPSC has not verified this requirement since it was not in effect during 2009. Operators must evaluate their plans no later than June, 2010.

17	Part I: General Comments/Regional Observations <small>Info Only = No Points</small>	Info Only	Info Only
-----------	--	-----------	-----------

SLR Notes:

The KPSC has generally complied with the requirements of Part I of this evaluation except for the following:



Question I.8 - The KPSC has not completed an Integrity Management Plan inspection for all operators that have gas transmission pipelines. The KYPSC's 2010 Certification shows there are 37 intrastate gas transmission operators in Kentucky. The Gas IMP database indicates that the KPSC has completed IMP inspections on four operators. This issue was communicated in the 2008 program evaluation. The KPSC should place a higher priority on completing IMP inspections. 1.0 point could not be given for this question.

Total points scored for this section: 8
Total possible points for this section: 9

