



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

1200 New Jersey Avenue SE
Washington DC 20590

2009 Hazardous Liquid 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 -- Accident Investigations
- E -- Damage Prevention Initiatives
- F -- Field Inspection
- G -- PHMSA Initiatives - Strategic Plan
- H -- Miscellaneous
- I -- Program Initiatives



2009 Hazardous Liquid State Program Evaluation -- CY 2009
Hazardous Liquid

State Agency: Kentucky

Agency Status:

Date of Visit:

Agency Representative:

PHMSA Representative:

Commission Chairman to whom follow up letter is to be sent:

Name/Title:

Agency:

Address:

City/State/Zip:

Rating:

60105(a): Yes **60106(a):** Yes **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	23
B	Inspections and Compliance - Procedures/Records/Performance	20	20
C	Interstate Agent States	0	0
D	Accident Investigations	1.5	1.5
E	Damage Prevention Initiatives	9	9
F	Field Inspection	12	12
G	PHMSA Initiatives - Strategic Plan	9.5	8.5
H	Miscellaneous	3	3
I	Program Initiatives	9	9

90 86

TOTALS

State Rating **95.6**

PART A - General Program Qualifications

Points(MAX) Score

- | | | | |
|----------|--|-------------------------------------|---|
| 1 | Did the state submit complete and accurate information on the attachments to its most current 60105(a) Certification/60106 (a) Agreement? (NOTE: PHMSA Representative to verify certification/agreement attachments by reviewing appropriate state documentation. Score a deficiency in any one area as "needs improvement". Attachment numbers appear in parenthesis) Previous Question A.1, Items a-h worth 1 point each
Yes = 8 No = 0 Needs Minor Improvement = 3-7 Needs Major Improvement = 2 | 8 | 8 |
| | a. State Jurisdiction and agent status over Hazardous Liquid and CO2 facilities (1) | <input checked="" type="checkbox"/> | |
| | b. Total state inspection activity (2) | <input checked="" type="checkbox"/> | |
| | c. Hazardous Liquid facilities subject to state safety jurisdiction (3) | <input checked="" type="checkbox"/> | |
| | d. Hazardous Liquid 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 Hazardous Liquid pipeline safety program (7) | <input checked="" type="checkbox"/> | |
| | h. State compliance with Federal requirements (8) | <input checked="" type="checkbox"/> | |

SLR Notes:

The 2010 Certification document appeared to have accurate information based upon a review of the KPSC's records for 2009.

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|----------|--|---|---|
| 2 | Did the state have an adequate mechanism to receive operator reporting of incidents to ensure state compliance with 60105(a) Certification/60106(a) Agreement requirements (accident criteria as referenced in 195.50? - Mechanism should include receiving "after hours" reports) (Chapter 6) Previous Question A.2
Yes = 1 No = 0 | 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 | Has the state held a pipeline safety T & Q 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.5
Yes = 2 No = 0 | 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 | Were pipeline safety program files well-organized and accessible?(NOTE: This also includes electronic files) (Chapter 5) Previous Question A.6
Yes = 1 No = 0 | 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 | 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.7
Yes = 2 No = 0 Needs Improvement = 1 | 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 | 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.9
Yes = 1 No = 0 | 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? (Chapter 8.1) Previous Question A.10 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 T&Q training requirement? If No, has the state been granted a waiver regarding T&Q courses by the Associate Administrator for Pipeline Safety? (NOTE: If the State has new inspectors who have not attended all T&Q 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.11 3 0
Yes = 3 No = 0

SLR Notes:

Melissa Halbrook has not attended the Hazwoper training. The three year period to complete (attend) the course has expired. The three year requirement for Steve Samples does not expire until 2010. Three points could not be given for this question.

- 9 Brief Description of Non-T&Q 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.13 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 T&Q Integrity Management (IMP) Courses/Seminars and CBT before conducting IMP Inspections? (Chapter 4.4.1) Previous Question A.14 1 1
Yes = 1 No = 0

SLR Notes:

One of the KPSC inspector staff that had completed the requirements of Liquid IMP until the Hazwoper requirement was added. The KPSC has not been able to schedule the Hazwoper training. No individual on the KPSC staff has completed the Liquid IMP inspection training because of the Hazwoper course requirement. Three points were deducted on Question A.8 due to the Hazwoper course not being completed. One point should be deducted in the 2010 evaluation if this requirement is not fulfilled and the KPSC conducts a liquid IMP inspection.

-
- 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.14 5 5
Yes = 5 No = 0
A. Total Inspection Person Days (Attachment 2):
9.00
B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 0.02 = 4.40
Ratio: A / B
9.00 / 4.40 = 2.05
If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
Points = 5

SLR Notes:

The ratio of Inspection Person Days to Inspection Person Years was 2.05 which exceeded the minimum ration of 0.38.

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 contained in Part A of this evaluation except for the following:

Question A.8 - Melissa Halbrook has not attended the Hazwoper training. The three year period to complete (attend) the course has expired. The three year requirement for Steve Samples does not expire until 2010. Three points could not be given for this question.

Total points scored for this section: 23
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) (Chapter 5.1) 6.5 6.5
Previous Question B.1 + Chapter 5 Changes
Yes = 6.5 No = 0 Needs Improvement = 50% Deduction
- | | | | | |
|---|---|--------------------------------------|--------------------------|---|
| 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's procedures state that each operator will be inspected no less than once each three years. The KPSC has achieved an inspection frequency of once each two years.

- 2** Did the written Procedures for selecting operators adequately address key concerns? (Chapter 5.1) Previous Question B.2, items a-d are worth .5 point each 2 2
Yes = 2 No = 0 Needs Improvement = 50% Deduction
- | | | | | |
|---|--|--------------------------------------|--------------------------|---|
| a | Length of time since last inspection | Yes <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 has only two operators that are jurisdictional to its hazardous liquid pipeline safety program. The KPSC does consider the factors above.

Inspection Performance

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

SLR Notes:

The KPSC's procedures state that each operator will be inspected no less than once each three years. The KPSC has achieved an inspection frequency of once each two years.

- 4** Did the state inspection form cover all applicable code requirements addressed on the Federal Inspection forms? (Chapter 5.1 (3)) Previous Question B.5 1 1
Yes = 1 No = 0

SLR Notes:

Yes. The KPSC uses the federal inspection forms to conduct its inspections.

- 5** Did state complete all applicable portions of inspection forms? (Chapter 5.1 (3)) Previous Question B.6 1 1
Yes = 1 No = 0

SLR Notes:

Upon a review of the inspection reports completed in 2009, all applicable portions of the federal inspection form was completed.

- 6** Did the state initiate appropriate follow-up actions to Safety Related Condition Reports? (Chapter 6.3) Previous Question B.7 .5 NA
Yes = .5 No = 0

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 areas of active corrosion on liquid lines in sufficient detail? (NOTE: PHMSA representative to describe state criteria for determining areas of active corrosion) Previous Question B.8
Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

SLR Notes:

Yes. The KPSC schedules reviews of operators' operation and maintenance procedures periodically. The KPSC checks operators to make sure they are analyzing for active corrosion. The KPSC considers active corrosion to be present whenever pitting with a metal loss is observed.

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|----------|--|----|-----|
| 8 | Did the state adequately review for compliance operator procedures for abandoning pipeline facilities and analyzing pipeline accidents to determine their causes? (NOTE: PHMSA representative to describe state criteria for determining compliance with abandoning pipeline facilities and analyzing pipeline accidents to determine their causes) Previous Question B.9
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

The KPSC utilizes the federal inspection form which covers this area of concern.

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|----------|--|----|-----|
| 9 | Is the state aware of environmentally sensitive areas traversed by or adjacent to hazardous liquid pipelines? (reference Part 195, review of NPMS) Previous Question B.16
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

The KPSC has reviewed the areas traversed by the hazardous liquid pipelines and is aware of environmentally sensitive areas.

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|-----------|---|---|---|
| 10 | Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 195.402(c)(5)? Previous Question B.11
Yes = 1 No = 0 | 1 | 1 |
|-----------|---|---|---|

SLR Notes:

The KPSC continually reviews operator's pipeline facility failure records as part of its standard inspections utilizing the federal inspection form.

Compliance - 60105(a) States

- | | | | |
|-----------|--|---|----|
| 11 | Did the state adequately document sufficient information on probable violations? (Chapter 5.2) Previous Question B.13
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|--|---|----|

SLR Notes:

- | | | | |
|-----------|--|---|----|
| 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 C(1).1
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|--|---|----|

SLR Notes:

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

SLR Notes:

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

SLR Notes:

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

SLR Notes:

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 C(1).5 Yes = 1 No = 0 Needs Improvement = .5	1	NA
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SLR Notes:

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 C(1).6 No = 0 Yes = 1	1	NA
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SLR Notes:

18	Did the state adequately document the resolution of probable violations? (Chapter 5.1 (6)) Previous Question C(1).7 Yes = 1 No = 0 Needs Improvement = .5	1	NA
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SLR Notes:

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

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

Compliance - 60106(a) States

21	Did the state use the current federal inspection form(s)? Previous Question C(2).1 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

Yes. Upon a review of the inspection reports completed in 2009, the KPSC utilized the federal inspection form to conduct its inspection.

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

The KPSC's database and inspection files confirmed that the KPSC met its requirements described in its inspection procedures.

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 C(2).3 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

Yes. One probable violation was found during an inspection of Duke Energy Kentucky, Inc. on August 24 - 25, 2009. Jason Brangers provided written notification to the director, Southern Region Office on October 16, 2009.

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 C(2).4 Yes = 1 No = 0 Needs Improvement = .5	1	NA
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SLR Notes:

There were no hazardous conditions found during its inspection activities in 2009.

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

SLR Notes:

Yes. The KPSC reported one probable violation found on Attachment 5 of the 2010 Hazardous Liquid Agreement. One probable violation was found during an inspection of Duke Energy Kentucky, Inc. on August 24 - 25, 2009. Jason Brangers provided written notification to the director, Southern Region Office on October 16, 2009.

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

SLR Notes:

Yes. The KPSC provided documentation and did not receive any communication from the Southern Region Office that it was not sufficient.

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

SLR Notes:

The KPSC has generally complied with the requirements contained in Part B of this evaluation.

Total points scored for this section: 20
Total possible points for this section: 20



PART C - Interstate Agent States

Points(MAX) Score

- | | | | |
|----------|--|---|----|
| 1 | Did the state use an inspection form that was approved by the Regional Director? Previous Question C(3).1
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

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 C(3).2
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

SLR Notes:

The KPSC is not an interstate agent.

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

SLR Notes:

The KPSC is not an interstate agent.

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|----------|---|---|----|
| 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 C(3).4
Yes = 1 No = 0 | 1 | NA |
|----------|---|---|----|

SLR Notes:

The KPSC is not an interstate agent.

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|----------|--|---|----|
| 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 C(3).5
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

SLR Notes:

The KPSC is not an interstate agent.

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

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 C(3).7
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

SLR Notes:

The KPSC is not an interstate agent.

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

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 - Accident Investigations

Points(MAX) Score

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

SLR Notes:

There were no intrastate hazardous liquid pipeline accidents reported during 2009.

- 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 D.2
Yes = .5 No = 0

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 accident notifications received? Previous Question D.3
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Yes. The KPSC maintains a log of telephonic reports. 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. There were no intrastate hazardous liquid pipeline accidents in Kentucky during 2009.

- 4** If an onsite investigation of an accident 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 D.4
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

There were no intrastate hazardous liquid pipeline accidents reported during 2009.

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

- | | | | |
|---|---------------------------|--------------------------|---|
| a. Observations | Yes <input type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. Contributing factors | Yes <input type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. Recommendations to prevent recurrences where appropriate | Yes <input type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

SLR Notes:

There were no intrastate hazardous liquid pipeline accidents reported during 2009.

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

SLR Notes:

There were no intrastate hazardous liquid pipeline accidents reported during 2009.

- 7** Did the state assist region office by taking appropriate follow-up actions related to the operator accident (and forward to PHMSA within 10 Days per 195.58) 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 D.7/D.8 and A.4
Yes = .5 No = 0

SLR Notes:

There were no intrastate hazardous liquid pipeline accidents reported during 2009.

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

SLR Notes:

The KPSC generally complied with the requirements of Part D of this evaluation. There were no intrastate hazardous liquid pipeline accidents reported during 2009.

Total points scored for this section: 1.5
Total possible points for this section: 1.5



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.12
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 195.442.

- | | | | |
|----------|---|---|---|
| 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.8
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

SLR Notes:

Jason Brangers represents NAPSIR 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 195.402 (c)(5)?
Yes = 2 No = 0 | 2 | 2 |
|----------|---|---|---|

SLR Notes:

The KPSC reviews operator's records on leaks and failures upon completing 195.402 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:

Duke Energy

Name of State Inspector(s) Observed:

Melissa Holbrook

Location of Inspection:

Duke Energy's Propane Storage Pumping and Control Room near Covington, KY

Date of Inspection:

8/12/2010

Name of PHMSA Representative:

Dale Bennett

SLR Notes:

A hazardous liquid pipeline safety inspection in progress by the KPSC was observed on 8/12/2010. The standard inspection began on 8/11/2010. The KPSC inspector, Melissa Holbrook, had reviewed the operator's procedures and office records on August 11, 2010. On August 12th, the KPSC inspector observed valve operating tests, cathodic protection potential and rectifier readings, atmospheric corrosion condition of above ground piping, line markers and signs and overpressure protection devices at the propane storage field.

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:

The operator was notified about the planned inspection on 3/2/201, prior to the inspection. The dates of the inspection was set two weeks prior to beginning 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 E.2 2 2
Yes = 2 No = 0

SLR Notes:

The KPSC inspector used the federal inspection form for hazardous liquid pipelines. The revision date of the form was March, 2010.

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

SLR Notes:

Yes. The KPSC inspector marked the "check-off" columns for the results found on each item covered on the federal form. Any unsatisfactory results were described in the comments section of the form.

5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps, valve keys, half-cells, etc.) New 2008 1 1
Yes = 1 No = 0

SLR Notes:

Yes. The KPSC inspector checked the equipment used to take cathodic protection readings. The inspector verified that the volt meter was properly calibrated.

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 performed a standard inspection of Duke Energy. The inspection covered activities of the operator since an inspection (followup) was performed in 2009.

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 procedures and records review was conducted. The KPSC inspector observed readings taken on facilities and the condition of pipeline facilities in the field.

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

SLR Notes:

Ms. Holbrook exhibited a good understanding of the pipeline safety regulations and knowledge of the operator's pipeline facilities.

- 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 E.10 1 1
Yes = 1 No = 0

SLR Notes:

Yes. The KPSC inspector provided a briefing of the inspection results to the operator and provided additional items that were needed from the operator to complete the inspection.

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

SLR Notes:

Yes. The KPSC inspector identified non compliance issues that were found during the inspection. She explained the regulatory requirements and cited the code sections that contained the requirements.

- 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:

On Thursday, August 12th, the KPSC inspector observed valve operating tests, cathodic protection potential and rectifier readings, atmospheric corrosion condition of above ground piping, line markers and signs and overpressure protection devices at the propane storage field. Ms. Halbrook was very thorough in her inspection observations. She conducted the inspection in a professional manner and treated the operator's representatives with respect.

- 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 best practices that were observed to share with other states or PHMSA regions.

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

SLR Notes:

Most of these areas were covered during inspection conducted on August 12, 2010.

14 Part F: General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

Ms. Halbrook was very thorough in her inspection observations. She conducted the inspection in a professional manner and treated the operator's representatives with respect. She provided a clear and concise briefing of her inspection findings. No concerns were identified with the inspection that was performed.

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 has oversight for two hazardous liquid operators with one unit each. The KPSC considers the length of time since last inspection, leak and incident histories. The KPSC inspects these units annually.

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

SLR Notes:

Yes. The KPSC has two operators and two units in its hazardous liquid pipeline safety program. The inspection units are appropriate as described in the "Guidelines For State Pipeline Programs" (Guideline).

- | | | | |
|----------|---|----|-----|
| 3 | Does state inspection process target high risk areas? | .5 | 0.5 |
| | Yes = .5 No = 0 | | |

SLR Notes:

The KPSC utilizes its investigators knowledge to identify high risk areas and conduct focused inspections.

Use of Data to Help Drive Program Priority and Inspections

- | | | | |
|----------|---|----|-----|
| 4 | 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.

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

SLR Notes:

Yes. The KPSC requires that operators provide it with a copy of its Annual Reports submission to PHMSA each year. The KPSC reviews the information for accuracy and comparison to the previous year report. The operators are informed of any inconsistencies found during the reviews.

- | | | | |
|----------|---|----|-----|
| 6 | Has state analyzed annual report data for trends and operator issues? | .5 | 0.5 |
| | Yes = .5 No = 0 | | |

SLR Notes:

Yes. The KPSC requires that operators provide it with a copy of its Annual Reports submission to PHMSA each year. The KPSC reviews the information for accuracy and comparison to the previous year report. The operators are informed of any inconsistencies found during the reviews. The KPSC also reviews trends on pipeline materials and leak repairs.

- | | | | |
|----------|--|----|-----|
| 7 | 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 accident 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. There were no reportable hazardous liquid pipeline accidents that occurred in 2009.

8	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 monitors its inspection frequency versus its procedures. The KPSC considers length of time since last inspection, defeciciencies found, followup on corrective action and incidents.

9	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?	.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 of intrastate hazardous liquid operators have not been uploaded to the OQ database. 0.5 points were not given for this question.

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

SLR Notes:

There were no notifications from an intrastate hazardous liquid pipeline operator found in the database during the calendar year of 2009.

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

SLR Notes:

The KPSC participated in an IMP inspection lead by PHMSA inspectors which included Marathon's intrastate refined product pipeline from Louisville, KY to Lexington, KY. The protocols for this inspection were uploaded by PHMSA. The IMP inspection protocols for the other intrastate hazardous liquid operator in Kentucky was not present in the Liquid IMP database. 0.5 points could not be given for this question.

12	Did the State use the Federal Protocols to conduct IMP Inspections? (If the State used an alternative inspection form(s) please provide information regarding alternative form(s)) Previous Question C(2).6	.5	0.5
	Yes = .5 No = 0		

SLR Notes:

The KPSC does use the Federal Protocol forms to conduct its Liquid IMP inspections of operators. The completed protocol forms for one liquid IMP inspection has not been uploaded into the Liquid IMP database.

13	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) and monitors for updates.

Accident/Incident Investigation Learning and Sharing Lessons Learned

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

SLR Notes:

Yes. The KPSC presented an update of its program at the NAPSr Southern Region Meeting held in April, 2009; however, the KPSC reported that there were no intrastate hazardous liquid pipeline accidents in Kentucky during 2009.

15	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 NAPSr/PHMSA Data Team thereby supporting this effort.

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

SLR Notes:

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

17 Does state conduct root cause analysis on incidents/accidents in state?

Info Only Info Only

Info Only = No Points

SLR Notes:

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

18 Has state participated on root cause analysis training? (can also be on wait list)

.5

0.5

No = 0 Yes = .5

SLR Notes:

Individual training has been requested and are presently on waitlist.

Transparency - Communication with Stakeholders

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

.5

0.5

Yes = .5 No = 0

SLR Notes:

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

20 Does state share enforcement data with public? (Website, newsletters, etc.)

.5

0.5

Yes = .5 No = 0

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.

21 Part G: General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

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

G.9 - Upon a review of the KPSC state page on the OQ database, OQ inspection protocol forms of intrastate hazardous liquid operators have not been uploaded to the OQ database. 0.5 points were not given for this question.

Question G.11 - The KPSC participated in an IMP inspection lead by PHMSA inspectors which included Marathon's intrastate refined product pipeline from Louisville, KY to Lexington, KY. The protocols for this inspection were uploaded by PHMSA. The IMP inspection protocols for the other intrastate hazardous liquid operator in Kentucky was not present in the Liquid IMP database. 0.5 points could not be given for this question.

Total points scored for this section: 8.5
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.) Previous Question A.15
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

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.) A.16
Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

SLR Notes:

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.).

- | | | | |
|----------|---|----|-----|
| 3 | Any Risk Reduction Accomplishments/Projects? (i.e. Replacement projects, bare steel, third-party damage reductions, HCA's/USA mapping, internal corrosion, etc.)
Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

SLR Notes:

The KPSC has focused on damage prevention law enhancements to reduce risk to hazardous liquid pipelines in Kentucky.

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

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)
Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

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 = No Points | Info Only | Info Only |
|----------|---|-----------|-----------|

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:

Yes. The KPSC has completed the review of all operators' drug and alcohol testing programs and has followed up with reviews when Part 199 rules have been amended.

- | | | | |
|----------|--|----|-----|
| 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:

Yes. Operators records are reviewed during standard inspections to verify random drug testing rates exceed the minimum percentage established by PHMSA. 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:

Yes. 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:

The KPSC has completed the review of all operators' Operator Qualification Plans. The results of these inspections are in the KPSC files but 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:

Yes. The KPSC utilized the protocol forms to inspect operators' OQ Plans. The completed protocol forms have not been uploaded into the 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:

Yes. The KPSC utilized the protocol forms to inspect operators' OQ Plans. The completed protocol forms have not been uploaded into the OQ Database.

- | | | | |
|----------|--|----|-----|
| 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 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.

Hazardous Liquid Pipeline Integrity Management (49 CFR Part 195.452)

- | | | | |
|----------|---|---|---|
| 8 | Has the state verified that all operators with hazardous liquid pipelines have adopted an integrity management program (IMP)?
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

The KPSC has two intrastate hazardous liquid pipeline operators under its jurisdiction. The KPSC has verified that the two operators have liquid integrity management programs in place. Marathon's Louisville to Lexington intrastate refined products pipeline was included in IMP inspections lead by PHMSA in 2003 and 2007.

- | | | | |
|----------|--|----|-----|
| 9 | Has the state verified that in determining whether a plan is required, the operator properly applied the definition of a high consequence area?
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

The KPSC uses and completes all information in the protocol forms while conducting its inspections of Integrity Management Plans. The protocol form covers this requirement.

- | | | | |
|-----------|---|----|-----|
| 10 | Has the state reviewed operator IMPs for compliance with 195.452?
<small>Yes = .5 No = 0</small> | .5 | 0.5 |
|-----------|---|----|-----|

SLR Notes:

The KPSC uses the federal Integrity Management Plan inspection protocols while conducting its IMP inspections. The protocol forms covers the requirements in Part 195.452.

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

SLR Notes:

Yes. The KPSC has reviewed operator's records of inspections and tests. The KPSC completes the federal IMP protocol forms which cover these requirements.

- | | | | |
|-----------|--|----|-----|
| 12 | Is the state verifying operators are periodically examining their hazardous liquid pipelines for the appearance of new HCAs?
<small>Yes = .5 No = 0</small> | .5 | 0.5 |
|-----------|--|----|-----|

SLR Notes:

Yes. The KPSC has reviewed operator's written plans to verify that the operators have processes to identify new HCA's.

Public Awareness (49 CFR Section 195.440)

- | | | | |
|-----------|--|----|-----|
| 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)?
<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 195.440 (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 review conducted by the Public Awareness Clearinghouse. The KPSC reviewed the results submitted by the Clearinghouse. The KPSC followed up with operators on any deficiencies identified by the 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:

This requirement was not effective in the regulations until 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.

Total points scored for this section: 9

Total possible points for this section: 9