



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

1200 New Jersey Avenue SE
Washington DC 20590

2013 Hazardous Liquid State Program Evaluation

for

ARIZONA CORPORATION COMMISSION, Office of Pipeline Safety

Document Legend

PART:

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

2013 Hazardous Liquid State Program Evaluation -- CY 2013
Hazardous Liquid

State Agency: Arizona
Agency Status:
Date of Visit: 04/01/2014 - 01/01/1900
Agency Representative: Robert Miller, Alan Borne
PHMSA Representative: Rex Evans - office April 1-3, 2014 , Jim Anderson - Field Review
Commission Chairman to whom follow up letter is to be sent:
Name/Title: Bob Stump, Chairman
Agency: Arizona Corporation Commission
Address: 1200 West Washington
City/State/Zip: Phoenix, AZ 85007-2996

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

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 2013 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

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

Scoring Summary

PARTS	Possible Points	Points Scored
A Progress Report and Program Documentation Review	10	10
B Program Inspection Procedures	15	14
C Program Performance	42	39.5
D Compliance Activities	15	13
E Accident Investigations	3	3
F Damage Prevention	8	8
G Field Inspections	12	12
H Interstate Agent State (if applicable)	7	7
I 60106 Agreement State (if applicable)	0	0
TOTALS	112	106.5
State Rating		95.1

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

1	Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1 (A1a) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: No issues			
2	Review of Inspection Days for accuracy - Progress Report Attachment 2 (A1b) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: Data appears accurate from review of data in book			
3	Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3 (A1c) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: All appear correct			
4	Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 (A1d) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: There were none so information is correct			
5	Accuracy verification of Compliance Activities - Progress Report Attachment 5 (A1e) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: Everything appears correct			
6	Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 (A1f, A4) Yes = 2 No = 0 Needs Improvement = 1	2	2
Evaluator Notes: Well organized with no issues			
7	Was employee listing and completed training accurate and complete? - Progress Report Attachment 7 (A1g) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: TQ transcripts, no issues			
8	Verification of Part 195,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h) Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: No issues			
9	List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 (H1-3) Yes = 1 No = 0 Needs Improvement = .5	1	1

Evaluator Notes:
No issues

10 General Comments:
Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

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

PART B - Program Inspection Procedures

Points(MAX) Score

1	<p>Standard Inspections (B1a) Yes = 2 No = 0 Needs Improvement = 1</p>	2	2	
<p>Evaluator Notes: Inspection plan Section 5, pages 1-2 of manual</p>				
2	<p>IMP Inspections (B1b) Yes = 1 No = 0 Needs Improvement = .5</p>	1	0.5	
<p>Evaluator Notes: Same as Natural Gas IMP, looking for improvement and more detail. Current procedures lack sufficient detail to know how programs will be reviewed on a timely basis. Need field details.</p>				
3	<p>OQ Inspections (B1c) Yes = 1 No = 0 Needs Improvement = .5</p>	1	0.5	
<p>Evaluator Notes: Only field portion of OQ is addressed and no formal plan reviews are address and what time period that will occur.</p>				
4	<p>Damage Prevention Inspections (B1d) Yes = 1 No = 0 Needs Improvement = .5</p>	1	1	
<p>Evaluator Notes: Section 5 part of standard</p>				
5	<p>On-Site Operator Training (B1e) Yes = 1 No = 0 Needs Improvement = .5</p>	1	1	
<p>Evaluator Notes: Section 7 - and as needed</p>				
6	<p>Construction Inspections (B1f) Yes = 1 No = 0 Needs Improvement = .5</p>	1	1	
<p>Evaluator Notes: Section 5 of manual. Note should be taken about construction inspections (same as NG issue) playing overal part of inspection plan. Construction monitoring should be addressed even though probably limited here.</p>				
7	<p>Incident/Accident Investigations (B1g) Yes = 2 No = 0 Needs Improvement = 1</p>	2	2	
<p>Evaluator Notes: Section 10 manual</p>				
8	<p>Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? (B2a-d, G1,2,4) Yes = 6 No = 0 Needs Improvement = 1-5</p>	6	6	
a.	Length of time since last inspection	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Needs Improvement <input type="radio"/>
b.	Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Needs Improvement <input type="radio"/>
c.	Type of activity being undertaken by operators (i.e. construction)	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Needs Improvement <input type="radio"/>
d.	Locations of operators inspection units being inspected - (HCA's, Geographic area, Population Density, etc)	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Needs Improvement <input type="radio"/>
e.	Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors)	Yes <input checked="" type="radio"/>	No <input type="radio"/>	Needs Improvement <input type="radio"/>

f. Are inspection units broken down appropriately?

Yes No Needs Improvement

Evaluator Notes:

Like NG evaluation, giving full points in this due to overall inspection frequency of annual inspections in lieu of risk. All considerations are given and issues addressed immediately.

9 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

Procedures are for both NG and HL program

Total points scored for this section: 14
Total possible points for this section: 15

PART C - Program Performance

Points(MAX) Score

- 1** Was ratio of Total Inspection person-days to total person days acceptable? 5 5
 Yes = 5 No = 0
 A. Total Inspection Person Days (Attachment 2):
 36.50
 B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 220 X 0.35 = 77.00
 Ratio: A / B
 36.50 / 77.00 = 0.47
 If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
 Points = 5

Evaluator Notes:
 Person days 36.5, ratio was .47 and acceptable. Full points.

- 2** Has each inspector and program fulfilled the T Q Training Requirements? (See Guidelines for requirements) Chapter 4.4 (A8-A11, G19) 5 5
 Yes = 5 No = 0 Needs Improvement = 1-4
- a. Completion of Required OQ Training before conducting inspection as lead? Yes No Needs Improvement
 - b. Completion of Required IMP Training before conducting inspection as lead? Yes No Needs Improvement
 - c. Root Cause Training by at least one inspector/prgram manager? Yes No Needs Improvement
 - d. Note any outside training completed? Yes No Needs Improvement

Evaluator Notes:
 Transcript review indicated no issues. Three inspectors to API welding school and in house training occurs.

- 3** Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 (A5) 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:
 No issues, miller has several years experience and serves on several task teams and committees.

- 4** Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 (A6-7) 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:
 Joint NG letter sent on June 26 and response on August 23rd. Common issues resolved.

- 5** Did State hold PHMSA TQ Seminar in Past 3 Years? Chapter 8.5 (A3) 2 2
 Yes = 2 No = 0

Evaluator Notes:
 January 2012 no issues

- 6** Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 (B3) 5 5
 Yes = 5 No = 0 Needs Improvement = 1-4

Evaluator Notes:
 Records indicate all operators inspected

7	Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1 (B4-5) Yes = 2 No = 0 Needs Improvement = 1	2	2
----------	---	---	---

Evaluator Notes:
No issues

8	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) (B7) Yes = 1 No = 0	1	1
----------	---	---	---

Evaluator Notes:
Had discussion, there are general corrosion questions on checklist but suggested this specific question be added. Very little pipe and all is protected.

9	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) (B8) Yes = 1 No = 0	1	1
----------	--	---	---

Evaluator Notes:
This is covered on inspection checklist 195.402 section. No issues.

10	Is the state aware of environmentally sensitive areas traversed by or adjacent to hazardous liquid pipelines? (reference Part 195, review of NPMS) (B9) Yes = 1 No = 0	1	1
-----------	---	---	---

Evaluator Notes:
There is limited pipelines or areas this is applicable to, but recommend they put specifics on checklists.

11	Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 195.402(c)(5)? (B10,E5) Yes = 1 No = 0	1	1
-----------	---	---	---

Evaluator Notes:
This is reviewed. Arizona collects damage prevention info and addresses with stakeholders. Mirror response on NG form.

12	Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? Data Initiative (G5-8,G15) Yes = 2 No = 0 Needs Improvement = 1	2	2
-----------	---	---	---

Evaluator Notes:
Annual reports reviewed at inspection. Along with NG annual reports reviewed and trends particularly on Damage Prevention issues.

13	Did state input all applicable OQ, IMP inspection results into federal database in a timely manner? This includes replies to Operator notifications into IMDB database. Chapter 5.1 (G9-12) Yes = 2 No = 0 Needs Improvement = 1	2	2
-----------	---	---	---

Evaluator Notes:
Inspection reports that have been completed have been uploaded.

14	Has state confirmed intrastate operators have submitted information into NPMS database along with changes made after original submission? (G13) Yes = 1 No = 0 Needs Improvement = .5	1	0.5
-----------	--	---	-----

Evaluator Notes:

Indicate staff person looking at these, but no verification by operator could be found and needs improvement and added to checklist.

-
- | | | | |
|-----------|--|---|---|
| 15 | Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199 (I1-3)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

Each operator had short form completed in file. No issues.

- | | | | |
|-----------|--|---|---|
| 16 | Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 195 Part G (I4-7)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Improvement needed in this area, although conducting field evaluations there have been no full plan reviews other than general question on standard checklist without any comprehensive review.

- | | | | |
|-----------|--|---|---|
| 17 | Is state verifying operator's hazardous liquid integrity management (L IMP) Programs are up to date? This should include a previous review of LIMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 195.452 Appendix C (C8-12)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Improvement needed in this area (same issue as NG). No specific documentation on monitoring progress other than simple questions on annual standard checklist. There is no record of any field verification and processes to reviewing IMP activities. Need to use federal forms and database to ensure operator progress is documented properly.

- | | | | |
|-----------|--|---|---|
| 18 | Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 195.440 (I13-16)
PAPEI Effectiveness Inspections should be complete by December 2013 | 2 | 2 |
|-----------|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

All are finished. Also recommend reviewing to make sure periodic evaluations are done appropriately. Same NG issue.

- | | | | |
|-----------|---|---|---|
| 19 | Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public). (G19-20)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

Same overall program as NG program. Stakeholder meetings through one-call organization and operator meetings in addition to public web-site.

- | | | | |
|-----------|--|---|----|
| 20 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (B6)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|-----------|--|---|----|

Evaluator Notes:

None reported

21 Did the state participate in/respond to surveys or information requests from NAPSR or PHMSA? (H4) 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

No issues.

22 If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate. Info OnlyInfo Only
Info Only = No Points

Evaluator Notes:

Had general discussion.

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

Evaluator Notes:

Total points scored for this section: 39.5
Total possible points for this section: 42

PART D - Compliance Activities

Points(MAX) Score

- | | | | |
|----------|---|--------------------------------------|---|
| 1 | Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1 (B12-14, B16, B1h)
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 3 |
| a. | Procedures to notify an operator (company officer) when a noncompliance is identified | Yes <input type="radio"/> | No <input checked="" type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

No procedure to notify company officer. Also gap in procedures that talk about letter issuance after audit is complete and process should be added.

As in NG program, issues are tracked on operator "board" in program manager office. This process should be documented.

- | | | | |
|----------|--|--------------------------------------|---|
| 2 | Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1 (B11,B18,B19)
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 3 |
| a. | Were compliance actions sent to company officer or manager/board director if municipal/government system? | Yes <input type="radio"/> | No <input checked="" type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Were probable violations documented? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Were probable violations resolved? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| d. | Was the progress of probable violations routinely reviewed? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Letters of compliance were not sent to company officers. All violations are documented, followed-up and resolved appropriately.

- | | | | |
|----------|--|---|---|
| 3 | Did the state issue compliance actions for all probable violations discovered? (B15)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

Yes, no issues

- | | | | |
|----------|--|---|---|
| 4 | Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary. (B17, B20)
Yes = 2 No = 0 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

No issues

- | | | | |
|----------|---|---|---|
| 5 | Is the program manager familiar with state process for imposing civil penalties? Were civil penalties considered for repeat violations (with severity consideration) or violations resulting in incidents/accidents? (describe any actions taken) (B27)
Yes = 2 No = 0 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

Yes, civil penalties are always mentioned in compliance correspondence.

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

Evaluator Notes:

Yes, even though last fine was in 2008 they have demonstrated use

- | | | | |
|----------|-------------------|---|-----------|
| 7 | General Comments: | 1 | Info Only |
|----------|-------------------|---|-----------|

Info Only = No Points

Evaluator Notes:

Total points scored for this section: 13
Total possible points for this section: 15

PART E - Accident Investigations

Points(MAX) Score

- | | | | |
|----|---|--------------------------------------|--|
| 1 | Does state have adequate mechanism to receive and respond to operator reports of accidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 (A2,D1-3)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
| a. | Acknowledgement of MOU between NTSB and PHMSA (Appendix D) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:
conservative procedures for operators reporting. No issues.

- | | | | |
|---|---|---|----|
| 2 | If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 (D4)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|---|---|---|----|

Evaluator Notes:
No accidents

- | | | | |
|----|--|--------------------------------------|--|
| 3 | Were all accidents investigated, thoroughly documented, and with conclusions and recommendations? (D5)
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | NA |
| 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"/> |

Evaluator Notes:
None to investigate

- | | | | |
|---|--|---|----|
| 4 | Did the state initiate compliance action for violations found during any incident/accident investigation? (D6)
Yes = 1 No = 0 | 1 | NA |
|---|--|---|----|

Evaluator Notes:
Not applicable

- | | | | |
|---|--|---|----|
| 5 | Did the state assist region office by taking appropriate follow-up actions related to the operator accident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 (D7)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|---|--|---|----|

Evaluator Notes:
Not applicable

- | | | | |
|---|---|---|---|
| 6 | Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPS Region meetings, state seminars, etc) (G15)
Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:
always discuss at region mtgs when applicable. No issues.

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

Evaluator Notes:

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

PART F - Damage Prevention

Points(MAX) Score

-
- | | | | |
|----------|--|---|---|
| 1 | Has the state reviewed directional drilling/boring procedures of each pipeline operator or its contractor to determine if they include actions to protect their facilities from the dangers posed by drilling and other trench less technologies? (E1)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:
Listed on operator inspection checklist. No issues.

- | | | | |
|----------|--|---|---|
| 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? (E2)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:
Covered in damage prevention section on checklist. No issues.

- | | | | |
|----------|---|---|---|
| 3 | Did the state encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (i.e. such as promoting/adopting the CGA Best Practices encouraging adoption of the 9 Elements, etc.) (E3)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:
Yes, this is done through stakeholder meetings, regional CGA participation

- | | | | |
|----------|--|---|---|
| 4 | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests? (This can include DIRT and other data shared and reviewed by the pipeline safety program) (E4,G5)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:
Yes information is collected and evaluated

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

Evaluator Notes:

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

PART G - Field Inspections

Points(MAX) Score

1 Operator, Inspector, Location, Date and PHMSA Representative Info Only Info Only
 Info Only = No Points
 Name of Operator Inspected:
 Arizona Public Service
 Name of State Inspector(s) Observed:
 Ryan Weight and Joel Perry
 Location of Inspection:
 Phoenix, AZ
 Date of Inspection:
 August 5-7, 2014
 Name of PHMSA Representative:
 Jim Anderson
 Evaluator Notes:

2 Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (F2) 1 1
 Yes = 1 No = 0
 Evaluator Notes:
 Yes. 3 AZ Public Service employees were present during the entire inspection.

3 Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) (F3) 2 2
 Yes = 2 No = 0 Needs Improvement = 1
 Evaluator Notes:
 Yes. Uses PHMSA form and converts it to an Excel spreadsheet and adds IMP questions.

4 Did the inspector thoroughly document results of the inspection? (F4) 2 2
 Yes = 2 No = 0 Needs Improvement = 1
 Evaluator Notes:
 Yes.

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) (F5) 1 1
 Yes = 1 No = 0
 Evaluator Notes:
 Yes, Only equipment needed was volt meter and contractor provided it.

6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) (F7) 2 2
 Yes = 2 No = 0 Needs Improvement = 1

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

Evaluator Notes:
 Completed O&M procedures/records review and field activities

7 Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) (F8) 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. Ryan Weight has over 15 years experience and Joel Perry has over 5 years experience.

- 8** Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) (F9) 1 1
Yes = 1 No = 0

Evaluator Notes:

Partial exit interview conducted. Final exit interview will be conducted after final inspection report is completed.

- 9** During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable) (F10) 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes. Notices of amendments and possible noncompliances were discussed.

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

- | | | |
|----|-----------------------------------|-------------------------------------|
| a. | Abandonment | <input type="checkbox"/> |
| b. | Abnormal Operations | <input type="checkbox"/> |
| c. | Break-Out Tanks | <input type="checkbox"/> |
| d. | Compressor or Pump Stations | <input type="checkbox"/> |
| e. | Change in Class Location | <input type="checkbox"/> |
| f. | Casings | <input type="checkbox"/> |
| g. | Cathodic Protection | <input checked="" type="checkbox"/> |
| h. | Cast-iron Replacement | <input type="checkbox"/> |
| i. | Damage Prevention | <input checked="" type="checkbox"/> |
| j. | Deactivation | <input type="checkbox"/> |
| k. | Emergency Procedures | <input checked="" type="checkbox"/> |
| l. | Inspection of Right-of-Way | <input checked="" type="checkbox"/> |
| m. | Line Markers | <input checked="" type="checkbox"/> |
| n. | Liaison with Public Officials | <input checked="" type="checkbox"/> |
| o. | Leak Surveys | <input checked="" type="checkbox"/> |
| 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 type="checkbox"/> |
| w. | Plastic Pipe Installation | <input type="checkbox"/> |
| x. | Public Education | <input checked="" type="checkbox"/> |
| y. | Purging | <input type="checkbox"/> |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/> |
| A. | Repairs | <input type="checkbox"/> |
| B. | Signs | <input 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
- H. Compliance Follow-up
- I. Atmospheric Corrosion
- J. Other

Evaluator Notes:

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

PART H - Interstate Agent State (if applicable)

Points(MAX) Score

1	Did the state use the current federal inspection form(s)? (C1) Yes = 1 No = 0 Needs Improvement = .5	1	1
----------	---	---	---

Evaluator Notes:
No issues

2	Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? (C2) Yes = 1 No = 0 Needs Improvement = .5	1	1
----------	--	---	---

Evaluator Notes:
No issues

3	Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? (C3) Yes = 1 No = 0 Needs Improvement = .5	1	1
----------	---	---	---

Evaluator Notes:
No issues

4	Were probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (C4) Yes = 1 No = 0 Needs Improvement = .5	1	1
----------	--	---	---

Evaluator Notes:
No issues

5	Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (C5) Yes = 1 No = 0 Needs Improvement = .5	1	1
----------	--	---	---

Evaluator Notes:
No issues

6	Did the state give written notice to PHMSA within 60 days of all probable violations found? (C6) Yes = 1 No = 0 Needs Improvement = .5	1	1
----------	---	---	---

Evaluator Notes:
No issues

7	Did the state initially submit documentation to support compliance action by PHMSA on probable violations? (C7) Yes = 1 No = 0 Needs Improvement = .5	1	1
----------	--	---	---

Evaluator Notes:
No issues

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

Evaluator Notes:

Total points scored for this section: 7
Total possible points for this section: 7

PART I - 60106 Agreement State (if applicable)**Points(MAX) Score**

-
- | | | | |
|----------|--|---|----|
| 1 | Did the state use the current federal inspection form(s)? (B21)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

-
- | | | | |
|----------|--|---|----|
| 2 | Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan? (B22)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

-
- | | | | |
|----------|---|---|----|
| 3 | Were any probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (B23)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

-
- | | | | |
|----------|---|---|----|
| 4 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (B24)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

-
- | | | | |
|----------|--|---|----|
| 5 | Did the state give written notice to PHMSA within 60 days of all probable violations found? (B25)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

-
- | | | | |
|----------|--|---|----|
| 6 | Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? (B26)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

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

Evaluator Notes:

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