



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

1200 New Jersey Avenue SE
Washington DC 20590

2013 Natural Gas State Program Evaluation

for

Utah Division of Public Utilities

Document Legend

PART:

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

2013 Natural Gas State Program Evaluation -- CY 2013
Natural Gas

State Agency: Utah

Agency Status:

Date of Visit: 07/07/2014 - 07/11/2014

Agency Representative: Al Zadeh, Pipeline Safety Program Manager

Connie Hendricks, Office Specialist

Jimmy Betham, Pipeline Safety Engineer

PHMSA Representative: Glynn Blanton, US DOT/PHMSA State Programs

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

Name/Title: Chris Parker, Director, Division of Public Utilities

Agency: Utah Department of Commerce

Address: Heber M. Wells Building, 4th Floor, 160 East 300 South

City/State/Zip: Salt Lake City, Utah 84114-6751

Rating:

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

INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 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

9.5

B Program Inspection Procedures

15

15

C Program Performance

43

37

D Compliance Activities

15

15

E Incident Investigations

9

9

F Damage Prevention

8

8

G Field Inspections

12

12

H Interstate Agent State (If Applicable)

0

0

I 60106 Agreement State (If Applicable)

0

0

TOTALS

112

105.5

State Rating

94.2

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:

A review found the number of master meter operators has changed from the previous year. Six master meter operators were changed to individual customers own facilities as listed below: American2 Apartments, Foxwood II Apartments, Higbee Apartments, Westwood Apartments, Moon Properties, LLC and Brownstone Condominiums. Information on the number of operators, jurisdictional authority, inspection units and units inspections were found correct.

- | | | | |
|----------|--|---|-----|
| 2 | Review of Inspection Days for accuracy - Progress Report Attachment 2 (A1b)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|----------|--|---|-----|

Evaluator Notes:

A review of Program Manager's spreadsheet and Attachment 2 found the number of inspection days for Standard Comprehensive did not match. The number listed on Attachment 2 was 154 inspection days versus the spreadsheet number of 165. Program Manager was unable to show documentation on how the numbers were changed. Improvement is needed in documenting any changes in the correct or correction numbers submitted in the progress report.

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

A review of Attachment 3 found no areas of concern. The names and types of operators match the list provided in the State of Utah Pipeline Safety Procedure Manual, pages 24-27.

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

Yes, one incident occurred in CY2013 and a review of the Pipeline Data Mart confirm the reportable incident matched the information listed in Attachment 4. The incident is still under investigation by the Utah State Fire Marshall Office and a complete report will be filed later. No areas of concern.

- | | | | |
|----------|--|---|---|
| 5 | Accuracy verification of Compliance Activities - Progress Report Attachment 5 (A1e)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

We noted a change in the number of carryovers reported from previous year progress report. A review of files and folders determined the number of reported violations by inspectors were incorrect for CY2012. Number found for CY2012 is 110 and number corrected was 106. We advised Program Manager to provide an email to Zach Barrett about correcting the CY2012 Progress report document.

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

Yes, a review of file cabinet located in Connie Hendrick's office found files organized by type of operator and in alphabetic order. No areas of concern.

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

Yes, a review of SABA and Attachment 7 confirm all employees have completed the required training. No issues of concern.

8	Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

Yes, information submitted on Attachment 8 was checked and to be correct. We discussed with Program Manager the importance of increasing the civil penalty amounts to match the Federal penalties. UT DC lost two points on their progress report due to not having a civil penalty amount of \$100,000 per violation to a maximum of \$200,000 for a series of violations.

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
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Evaluator Notes:

Reviewed and discussed with Program Manager the planned and past performance of the pipeline safety program. Information provided was detailed and they recently hired a full time office specialist. No areas of concern.

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

UT DC is generally complying with Section A. A loss of half a point occurred in question A.2.

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

PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|----------|--------------------------------------|---|---|
| 1 | Standard Inspections (B1a) | 2 | 2 |
| | Yes = 2 No = 0 Needs Improvement = 1 | | |

Evaluator Notes:

UT DC has recently updated the State of Utah Pipeline Safety Policies and Procedures Manual. Revision date is July 3, 2014. The standard inspection description was listed on page 29. All PAPE and OQ will be performed during this inspection visit. No issues.

- | | | | |
|----------|--|---|---|
| 2 | IMP Inspections (including DIMP) (B1b) | 1 | 1 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

Information on IMP inspections is listed in State of Utah Pipeline Safety Policies and Procedures Manual page 34. IMP, PAP, and DIMP programs shall be conducted once every 5 years or when any change is made to the program that may substantially affect the program's implementation. No issues.

- | | | | |
|----------|---------------------------------------|---|---|
| 3 | OQ Inspections (B1c) | 1 | 1 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

Information on OQ inspections is listed in State of Utah Pipeline Safety Policies and Procedures Manual page 34. OQ, IMP, PAP, and DIMP programs shall be conducted once every 5 years or when any change is made to the program that may substantially affect the program's implementation. No issues.

- | | | | |
|----------|---------------------------------------|---|---|
| 4 | Damage Prevention Inspections (B1d) | 1 | 1 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

Damage prevention inspections are listed on page 30. An inspection specifically related to damage prevention, design, testing, and/ or construction of new system components within the inspection unit. Design, testing, damage prevention and construction inspections will be conducted on a random basis at the discretion of the individual pipeline safety engineer or in follow up to an inquiry or complaint received by the Division.

- | | | | |
|----------|---------------------------------------|---|---|
| 5 | On-Site Operator Training (B1e) | 1 | 1 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

On-Site Operator Training is described on page 34 of the State of Utah Pipeline Safety Policies and Procedures Manual. No areas of concern.

- | | | | |
|----------|---------------------------------------|---|---|
| 6 | Construction Inspections (B1f) | 1 | 1 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

Construction inspections are described on page 30 of the State of Utah Pipeline Safety Policies and Procedures Manual. No areas of concern.

- | | | | |
|----------|--|---|---|
| 7 | Incident/Accident Investigations (B1g) | 2 | 2 |
| | Yes = 2 No = 0 Needs Improvement = 1 | | |

Evaluator Notes:

A review of the State of Utah Pipeline Safety Policies and Procedures Manual found this type of investigation is listed on page 32.

- | | | | |
|----------|---|---|---|
| 8 | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? (B2a-d, G1,2,4) | 6 | 6 |
| | Yes = 6 No = 0 Needs Improvement = 1-5 | | |

a. Length of time since last inspection

Yes ☒ No ☐ Needs Improvement ☐

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

Evaluator Notes:

A review of the State of Utah Pipeline Safety Policies and Procedures Manual found these items listed on page 28, under sub-title "Procedures for Determining Inspection Priorities". No areas of concern were found. However, it was discussed with Program Manager the Salt Lake City inspection unit may need to be broken down into two units due to the size of the inspection unit.

9 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No loss of points occurred in this section of the review. UT DC is generally complying with the requirements of Section B.

Total points scored for this section: 15
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? (Director of State Programs may modify with just cause) Chapter 4.3 (A12) 5 5
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):
274.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 $220 \times 2.17 = 476.67$

Ratio: A / B
 $274.00 / 476.67 = 0.57$

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

Evaluator Notes:

A.Total Inspection Person Days (Attachment 2)= 274

B.Total Inspection Person Days Charged to the program (220*Number of Inspection person years(Attachment 7) = 476.66652

Formula:- Ratio = A/B = $274/476.66652 = 0.57$

Rule:- (If Ratio $\geq .38$ then points = 5 else Points = 0.)

Thus Points = 5

- 2** Has each inspector and program manager 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

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|----|--|--------------------------------------|--------------------------|---|
| a. | Completion of Required OQ Training before conducting inspection as lead? | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Root Cause Training by at least one inspector/program manager | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Note any outside training completed | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes, a review of SABA and other information found inspectors have completed the required OQ & IMP training courses.
Two inspectors have successfully attended and completed the Root Cause course.

- 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:

Yes, discussion with Al Zadeh indicated he has a working knowledge about the pipeline safety program requirements in meeting federal guidelines and goals.

- 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:

Yes, Mr. Chris Parker, Director of State of Utah Department of Commerce, response letter was provided to Mr. Zach Barrett on September 3, 2013. The response was within the required sixty day time requirement.

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

Evaluator Notes:

Yes, PHMSA TQ Seminar was held at the Salt Lake Community College in Sandy, Utah. A total number of attendees were seventy-nine which represented a cross section of operators in Utah.

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

No. A review of inspection reports found not all gathering line operators were inspected in accordance to UT DC Pipeline Safety Procedure Manual listed on page 35. A loss of one point occurred. Improvement is needed in meeting this requirement

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
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Evaluator Notes:

Yes, a review of file folders containing inspection documents found UT DC staff members use the federal form on all inspections. All applicable code sections were checked or indicated as NA. No areas of concern.

8	Did the state review operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken? (NTSB) Chapter 5.1 (B7) Yes = 1 No = 0	1	NA
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Evaluator Notes:

NA. No cast iron pipelines in State of Utah.

9	Did the state review operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance) (NTSB) Chapter 5.1 (B8) Yes = 1 No = 0	1	NA
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Evaluator Notes:

NA. No cast iron pipelines in State of Utah.

10	Did the state review operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21? (NTSB) Chapter 5.1 (B9) Yes = 1 No = 0	1	1
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Evaluator Notes:

This is annually reviewed by each inspector when the operator submits their O & M Plan. This is listed in their Pipeline Safety Policies and Procedures Manual page 30. No areas of concern.

11	Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 192.617? Chapter 5.1 (B10,E5) Yes = 1 No = 0	1	1
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Evaluator Notes:

Yes, this is reviewed by UT DC staff members and checked on the federal inspection form. A review of the file folder for Questar Gas Company inspection performed on February 12, 2013 found on page 6 of 10 this item was checked. No areas of concern.

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 (G6-9,G16) Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:

UT DC staff members review operator's annual reports when submitted. This item is listed in their Pipeline Safety Policies and Procedures Manual page 10.

- 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 (G10-12) 2 0
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

A review of PHMSA Operator Qualification Database pertaining to the inspection performed on Questar Gas Company dated July 15, 2013 found the information was not uploaded. Additionally, a review of the IMP inspection performed on Questar Gas Company on May 14-17, 2013 found the results was not uploaded into PHMSA data base. A loss of two points occurred.

- 14** Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission? (G14) 1 0
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

No, UT DC was unable to provide a report or evidence that it has complied with this requirement. They will consider asking this question on their future inspection form. A loss of one point occurred on this question.

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

Evaluator Notes:

A review of inspection reports and files found UT DC performed three inspections in CY2013. Listed below is the name of the operators and dates of inspections: City of Nephi, March 22, 2013; Town of Levan, May 1, 2013; City of Hildale October 17, 2013; and City of Eagle Mountain December 9, 2013. No areas of concern.

- 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 192 Part N (I4-7) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, a review of Questar Gas Company inspection performed on July 8-9, 2013 found UT DC staff verified the OQ program was up to date. The review included a review of the company's covered task and procedures.

- 17** Is state verifying operator's gas transmission integrity management programs (IMP) are up to date? This should include a previous review of IMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart O (I8-12) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, UT DC staff reviewed Questar Gas Company's IMP plan and found it up to date. No issues of concern.

- 18** Is state verifying operator's gas distribution integrity management Programs (DIMP)? This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart P 2 2
DIMP ? First round of program inspections should be complete by December 2014

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

UT DC staff is on schedule to perform and complete all DIMP inspections before December 31, 2014. City of Nephi and City of Mona were completed in March, 2014 and the remaining systems are scheduled to be completed in the coming months.

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|----|--|---|---|
| 19 | 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 192.616 (I13-16)
PAPEI Effectiveness Inspections should be complete by December 2013 | 2 | 0 |
|----|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

A review of PHMSA Data base for PAPEI found inspections were performed in CY2012 on the following systems: Anadarko Petroleum Corporation, The City of Hildale, Moab Pipeline LLC, Patara Oil & Gas, The City of Blanding, City of Nephi and Questar Gas Company. Additional inspections were performed on several other operators in CY2013 but unfortunately two operators, Levan and Eagle Mt were not completed before December 2013. A loss of two points occurred.

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|----|---|---|---|
| 20 | 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). (G20-21)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----|---|---|---|

Evaluator Notes:

Yes, this is accomplished via their website. UT DC staff members continue to participate in the Utah Pipeline Association and Blue Stake meetings sharing information about their pipeline safety program.

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|----|--|---|----|
| 21 | 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:

NA. No safety related condition reports were filed in CY2013.

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|----|---|---|---|
| 22 | Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? (G13)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----|---|---|---|

Evaluator Notes:

Yes, this is accomplished during the standard inspection performed on each operator.

- | | | | |
|----|---|---|---|
| 23 | Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA? (H4)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----|---|---|---|

Evaluator Notes:

Yes, they continue to participate in the NAPSRS & NARUC surveys. No areas of concern.

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|----|--|-----------|-----------|
| 24 | 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 Only = No Points | Info Only | Info Only |
|----|--|-----------|-----------|

Evaluator Notes:

A review of PHMSA waivers found a letter from Stacey Gerard was sent to Ken Evans on February 4, 2003 pertaining to a request by Questar Gas Company for PA11 material. AI will check on the status of the waiver and provide feedback.

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|----|--|-----------|-----------|
| 25 | General Comments:
Info Only = No Points | Info Only | Info Only |
|----|--|-----------|-----------|

Evaluator Notes:

Loss of points occurred at C.6, C.13, C.14 & C.19 of this section.

Total points scored for this section: 37
Total possible points for this section: 43

PART D - Compliance Activities**Points(MAX) Score**

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

Evaluator Notes:

Yes, a review of UT DC written procedures show notification to the company officer and monitoring the status of all open violations are described on page 17 under sub-title, "Procedures for follow-up activities to ensure that proper corrective action has been taken by the operator within a specific time frame after notification of noncompliance".

- | | | | |
|----------|--|---|---|
| 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 | 4 |
| a. | Were compliance actions sent to company officer or manager/board member if municipal/government system? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | 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:

- a. A review of file folders for private, municipal and master meter operators found letters were being sent to company officers or managers.
- b. A review of Connie Hendricks, Administrative Assistant, Non-Compliance spreadsheet confirmed all probable violations were documented.
- c. Yes, a review of spreadsheet confirmed violations were being resolved with a follow-up inspection or correspondence from the operator.
- d. Yes, progress of closing the violations is reviewed weekly.

- | | | | |
|----------|--|---|---|
| 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, a review of files found 70 violations were issued against operators for non-compliance in CY2013. No areas of concern.

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

Yes, UT DC written procedures on page 37, describes this process under sub-title, "Treatment of Violations of Federal and State Pipeline Safety Regulations".

- | | | | |
|----------|---|---|---|
| 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 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

Yes, program manager is familiar with imposing civil penalties for repeated violations. Failure to not correct a violation(s) may result in a fine. No areas of concern with this item.

- | | | | |
|----------|--|---|---|
| 6 | Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations? | 1 | 1 |
|----------|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, Questar Gas Company was issued a civil penalty in amount of \$4,500 on June 23, 2011 for failure to mark lines in accordance to 192.614 (c) (5).

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

No loss of points occurred in this section of the review. UT DC is generally complying with the requirements of Section D.

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

PART E - Incident Investigations

Points(MAX) Score

- | | | | |
|----------|---|--------------------------------------|--|
| 1 | Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 (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:

Yes, this is described in the State Of Utah Pipeline Safety Policies and Procedures manual in Appendix 6, page 93. 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 | 1 |
|----------|---|---|---|

Evaluator Notes:

Yes, one fire first incident was reported on March 29, 2013 involving a brush fire that resulted in damage to a home in Hyrum, UT. UT DC staff did not investigate the event but obtained information from the State of UT Fire Marshall's office on the event. The steps UT DC staff followed in investigating the event matched their written procedures. No issues.

- | | | | |
|----------|--|--------------------------------------|--|
| 3 | Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? (D5)
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
| 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 when appropriate | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes, a review of the file folder containing information on the Hyrum, UT fire first event showed a detail description of the events. No issues.

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

Evaluator Notes:

No violations or compliance action were required due to the event being a fire first incident in Hyrum, UT.

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

Evaluator Notes:

Yes, UT DC staff continues to communicate with PHMSA Western Region office in areas of concern. No issues.

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

Yes, during the NAPS Region Meeting information about the fire first event in Hyrum, UT was shared with other NAPS members. No issues.

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

Info Only = No Points

Evaluator Notes:

No loss of points occurred and UT DC is generally complying with Section E.

Total points scored for this section: 9

Total possible points for this section: 9

PART F - Damage Prevention

Points(MAX) Score

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

Evaluator Notes:

Yes, this item is mentioned in UT DC Pipeline Safety Policies and Procedures manual page 29 under the sub-title, Standard Inspection. 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:

This is reviewed during the standard inspection and checked when an incident or reportable call is made to the agency. Additionally, UT DC uses the federal forms for the standard inspection.

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

Evaluator Notes:

Yes, this is accomplished by participating in the Blue Stakes training and meetings with operators and contractors. In CY2013, they attended the Lindon, UT meeting on January 15-17, 2013. They continue to promote CGA Best Practices during their inspection reviews of the operator's O & M procedures.

- | | | | |
|---|--|---|---|
| 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, Questar Gas Company is required to submit a quarterly damage report to UT DC. A review of the trends on the number of damages in CY2013 per 1,000 locates requests found the ratio to be 3.75. In CY2012 the ratio was 4.105. This indicates a downward trend.

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

Evaluator Notes:

No loss of points occurred and UT DC is generally complying with Section F.

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 OnlyInfo Only |
| | Info Only = No Points | |

Name of Operator Inspected:

City of Nephi and City of Rocky Mountain

Name of State Inspector(s) Observed:

Jimmy Betham, Pipeline Safety Engineer: Al Zadeh, UT DC Program Manager

Location of Inspection:

Nephi and Eagle Mountain, Utah

Date of Inspection:

July 8, 2014

Name of PHMSA Representative:

Glynn Blanton, US DOT PHMSA State Programs

Evaluator Notes:

This was a one day inspection of two municipality owned local natural gas distribution systems. The first inspection was performed on City of Nephi and consisted of a review of their regulator stations and cathodic protection. The following personnel were present from the City of Nephi: Kim Hall, Larry Ostler, and Drew McPherson.

The second part of the inspection was performed on City of Eagle Mountain. The inspection consisted of a review of their tap, odorization and regulator stations. Pipe to soil potential readings were taken to monitor cathodic protection. The following individuals from the City of Eagle Mountain were present during the inspection: Eagle Mountain Field Personnel, Dave Crawley, and Todd Lower.

- | | | | |
|----------|---|---|---|
| 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, the City of Nephi and Eagle Mountain gas personnel were notified on Monday, July 8, 2014 by Jimmy Betham, UT DC. No areas of concern.

- | | | | |
|----------|--|---|---|
| 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, Mr. Betham was observed using the modified (IA) federal inspection form on each of the natural gas systems during the inspection audit.

- | | | | |
|----------|---|---|---|
| 4 | Did the inspector thoroughly document results of the inspection? (F4) | 2 | 2 |
| | Yes = 2 No = 0 Needs Improvement = 1 | | |

Evaluator Notes:

Yes, Mr. Betham thoroughly documented pipe to soil potential reading taken by the operator representatives and his own readings during the review. Additionally, he completed the inspection form as the operator representatives answered his questions. No issues.

- | | | | |
|----------|---|---|---|
| 5 | Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps,pyrometer,soap spray,CGI,etc.) (F5) | 1 | 1 |
| | Yes = 1 No = 0 | | |

Evaluator Notes:

Yes, prior to performing the field inspection and taking pipe to soil potential readings, he checked the operator's equipment. No issues.

- | | | | |
|----------|---|---|-------------------------------------|
| 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 | | <input checked="" type="checkbox"/> |

- b. Records ☐
- c. Field Activities ☒
- d. Other (please comment) ☐

Evaluator Notes:

Yes, the inspector checked the operator's written procedures and observed the personnel performing a monitor test on the regulator stations to insure the set pressure were established correctly and performing in accordance with pipeline safety regulations. Additionally, pipe to soil potential readings were taken and found to meet the MFSS. No issues.

- | | | | |
|---|--|---|---|
| 7 | Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) (F8)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, Mr. Jimmy Betham has completed all T&Q courses and has over seven years of experience in pipeline safety inspection work. No issues.

- | | | | |
|---|--|---|---|
| 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)
Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

Yes, Mr. Jimmy Betham was observed conducted an exit interview with each of the operators representative immediately after the inspection. A detailed description of the items reviewed and recommendations on improvements was shared with each operator. No issues.

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

Evaluator Notes:

No probable violations were found or cited.

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

- a. Abandonment ☐
- b. Abnormal Operations ☐
- c. Break-Out Tanks ☐
- d. Compressor or Pump Stations ☐
- e. Change in Class Location ☐
- f. Casings ☐
- g. Cathodic Protection ☒
- h. Cast-iron Replacement ☐
- i. Damage Prevention ☐
- j. Deactivation ☐
- k. Emergency Procedures ☐
- l. Inspection of Right-of-Way ☐
- m. Line Markers ☒
- n. Liaison with Public Officials ☐
- o. Leak Surveys ☐
- p. MOP ☒
- q. MAOP ☒
- r. Moving Pipe ☐
- s. New Construction ☐
- t. Navigable Waterway Crossings ☐
- u. Odorization ☒

- | | | |
|----|-----------------------------------|-------------------------------------|
| v. | Overpressure Safety Devices | <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 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 type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

No issues were noted or observed during the inspection visits of the two operators. At the City of Nephi the following items were observed: Mona Gate Station and Nephi South Gate Station. Operator representatives failed the worker regulator and operate the monitor. They restored service after the regulator testing was completed.

At Eagle Mountain the following was observed: A check was performed by personnel on the worker, monitor and bypass regulators at Regulator Stations: Kern River Tap (City Gate Station), and Regulator Station #5 HWY 73.

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 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|--|---|----|
| 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 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|---|---|----|
| 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 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|--|---|----|
| 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 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|--|---|----|
| 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 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|---|---|----|
| 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 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|--|---|----|
| 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 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

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

Evaluator Notes:

NA

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

PART I - 60106 Agreement State (If Applicable)**Points(MAX) Score**

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

Evaluator Notes:

NA

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

NA

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

NA

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

NA

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

NA

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

NA

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

Evaluator Notes:

NA

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