



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

1200 New Jersey Avenue SE  
Washington DC 20590

## 2010 Hazardous Liquid State Program Evaluation

for

ARIZONA CORPORATION COMMISSION, Office of Pipeline Safety

### 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



2010 Hazardous Liquid State Program Evaluation -- CY 2010  
Hazardous Liquid

**State Agency:** Arizona  
**Agency Status:**  
**Date of Visit:** 05/16/2011 - 05/20/2011  
**Agency Representative:** Robert Miller, Program Manager Robert Miller, Pipeline Safety Supervisor  
 Corky Hanson, Assistant Pipeline Safety Supervisor  
 Alan Borne, Senior Pipeline Safety Inspector

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

**PHMSA Representative:** Glynn Blanton, DOT/PHMSA State Programs  
 Patrick Gaume, DOT/PHMSA State Programs

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

**Name/Title:** Gary Pierce, Chairman  
**Agency:** Arizona Corporation Commission  
**Address:** 1200 West Washington Street, 2nd Floor  
**City/State/Zip:** Phoenix, AZ 85007

**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 2010 (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**

<b>PARTS</b>	<b>Possible Points</b>	<b>Points Scored</b>
A General Program Qualifications	26	26
B Inspections and Compliance - Procedures/Records/Performance	23.5	23.5
C Interstate Agent States	7	7
D Accident Investigations	7	7
E Damage Prevention Initiatives	9	9
F Field Inspection	12	12
G PHMSA Initiatives - Strategic Plan	9	8
H Miscellaneous	2.5	2.5
I Program Initiatives	9	9
<b>TOTALS</b>	<b>105</b>	<b>104</b>
<b>State Rating</b> .....		<b>99.0</b>

# PART A - General Program Qualifications

Points(MAX) Score

<b>1</b>	<p>Did the state submit complete and accurate information on the attachments to its most current 60105(a) Certification/60106 (a) Agreement? (NOTE: PHMSA Representative to verify certification/agreement attachments by reviewing appropriate state documentation. Score a deficiency in any one area as "needs improvement". Attachment numbers appear in parenthesis) Previous Question A.1, Items a-h worth 1 point each</p> <p>Yes = 8 No = 0 Needs Minor Improvement = 3-7 Needs Major Improvement = 2</p> <ul style="list-style-type: none"> <li>a. State Jurisdiction and agent status over Hazardous Liquid and CO2 facilities (1) <input checked="" type="checkbox"/></li> <li>b. Total state inspection activity (2) <input checked="" type="checkbox"/></li> <li>c. Hazardous Liquid facilities subject to state safety jurisdiction (3) <input checked="" type="checkbox"/></li> <li>d. Hazardous Liquid pipeline incidents (4) <input checked="" type="checkbox"/></li> <li>e. State compliance actions (5) <input checked="" type="checkbox"/></li> <li>f. State record maintenance and reporting (6) <input checked="" type="checkbox"/></li> <li>g. State employees directly involved in the Hazardous Liquid pipeline safety program (7) <input checked="" type="checkbox"/></li> <li>h. State compliance with Federal requirements (8) <input checked="" type="checkbox"/></li> </ul>	8	8
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**SLR Notes:**

Yes, all items were found correct. No issues.

<b>2</b>	<p>Did the state have an adequate mechanism to receive operator reporting of incidents to ensure state compliance with 60105(a) Certification/60106(a) Agreement requirements (accident criteria as referenced in 195.50? - Mechanism should include receiving "after hours" reports) (Chapter 6) Previous Question A.2</p> <p>Yes = 1 No = 0</p>	1	1
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**SLR Notes:**

Yes, Section 1, pages 15-16 in their 2010 Policy and Procedures Manual address the telephonic reporting requirement. The Arizona Corporation Commission's Administrative rule R14-5-203 also address this requirement.

<b>3</b>	<p>Has the state held a pipeline safety T &amp; Q seminar(s) in the last 3 years? (NOTE: Indicate date of last seminar or if state requested seminar, but T&amp;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</p> <p>Yes = 2 No = 0</p>	2	2
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**SLR Notes:**

The last seminar was held on November 3, 2009 at the Arizona Corporation Commission Office. Number of participants who attend was eleven which represented three of the four operators.

<b>4</b>	<p>Were pipeline safety program files well-organized and accessible?(NOTE: This also includes electronic files) (Chapter 5) Previous Question A.6</p> <p>Yes = 1 No = 0</p>	1	1
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**SLR Notes:**

Yes, all files are maintained in a security location adjacent to the front office of the organization. All current inspection reports and exhibits are electronically backed-up as submitted by each staff member. AZCC IT department backs-up all reports weekly.

<b>5</b>	<p>Did state records and discussions with the state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? (Chapter 4.1, Chapter 8.1) Previous Question A.7</p> <p>Yes = 2 No = 0 Needs Improvement = 1</p>	2	2
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**SLR Notes:**

Yes, Robert Miller has many years of experience in pipeline safety and understands the requirements in submitting a grant application and payment agreement documents.

<b>6</b>	<p>Did the state respond in writing within 60 days to the requested items in the Chairman's letter following the Region's last program evaluation? (No response is necessary if no items are requested in letter and mark "Yes") (Chapter 8.1) Previous Question A.9</p> <p>Yes = 1 No = 0</p>	1	1
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**SLR Notes:**

No response was required in letter to Chairman Kristin Mayes, dated October 21, 2010.

<b>7</b>	<p>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</p> <p>Yes = 1 No = 0</p>	1	1
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SLR Notes:

No response was required in letter to Chairman Kristin Mayes, dated October 21, 2010.

## Personnel and Qualifications

- |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |   |   |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>8</b> | 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<br>Yes = 3 No = 0 | 3 | 3 |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

SLR Notes:

Yes, all senior inspectors have completed the core program courses for Hazardous Liquid inspections. Those individuals are Robert Miller, Corky Hanson, Alan Borne, Ryan Weight and Eric Villa. The remaining staff members are scheduled for classes in 2011 and 2012.

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|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| <b>9</b> | Brief Description of Non-T&Q training Activities<br>Info Only = No Points<br><br>For State Personnel:<br>Within one year from date of employment, each new employee must successfully complete the following In-House Training courses: New Employee training, LPG Inspection, Pipeline Failure Investigation, Pipeline Welding Inspection and Underground Facilities Law.<br><br>For Operators:<br>Sixteen Master Meter Class Training courses were conducted during calendar 2010 and two hundred seventy-on attendees. These classes were held at Tucson, Phoenix, Flagstaff and Prescott, AZ.<br><br>For Non-Operator Entities/Parties, Information Dissemination, Public Meetings:<br>Various staff members serve on the following organizations and present information on pipelines safety regulations and damage prevention. These organizations are listed below: AZ Response Commission, Phoenix Light Rail Correlating Committee and Manufacturer Housing Community. | Info Only | Info Only |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|

SLR Notes:

No issues.

- |           |                                                                                                                                                                                           |   |   |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>10</b> | 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<br>Yes = 1 No = 0 | 1 | 1 |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

SLR Notes:

Yes, those individuals are Robert Miller, Corky Hanson, Alan Borne, Ryan Weight and Eric Villa.

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|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>11</b> | 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<br>Yes = 1 No = 0 | 1 | 1 |
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SLR Notes:

Yes.

- |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |   |   |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>12</b> | 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<br>Yes = 5 No = 0<br><br>A. Total Inspection Person Days (Attachment 2):<br>52.50<br><br>B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):<br>220 X 0.60 = 132.00<br><br>Ratio: A / B<br>52.50 / 132.00 = 0.40<br><br>If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0<br>Points = 5 | 5 | 5 |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

SLR Notes:

A.Total Inspection Person Days (Attachment 2)= 52.5  
 B.Total Inspection Person Days Charged to the program(220\*Number of Inspection person years(Attachment 7)=132  
 Formula:- Ratio = A/B = 52.5/132 = 0.4  
 Rule: (If Ratio >=.38 then points = 5 else Points = 0.)  
 Thus Points = 5



Yes. The ratio was acceptable and full point award of 5.0 was given for this question.

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**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:**

No changes have occurred.

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

**SLR Notes:**

No issues or loss of points in this section.

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



**PART B - Inspections and Compliance - Procedures/Records/ Performance** **Points(MAX) Score**

**Inspection Procedures**

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

**SLR Notes:**

- A: Yes, AZ CC 2010 Policy and Procedures book:Major Operators, Section5, (Intrastate) page 1 & (Interstate) page 2.
- B:Yes, Major Operators, Section 4, page 1 for intrastate & page 2 for Interstate.
- C: Yes,Major Operators, (policy) Section 4 pages 1 & 2, (Procedure) Section 5 pages 1& 2. Master Meter Section 6, page 6.
- D: Yes,Section 8 & 9 and Arizona Underground Facility Law, Title 40, Chapter 2.
- E: Yes, Section 7, page 6
- F: Yes, Major Operators Section 5 pages 3 & 4. Construction is address in state law.
- G: Yes, Section 10
- H: Yes, Major Operators (procedures) Section 4, pages 3 & 5.

<b>2</b>	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 Yes = 2 No = 0 Needs Improvement = 50% Deduction	2	2
a	Length of time since last inspection	Yes <input checked="" type="radio"/> No <input type="radio"/>	Needs Improvement <input type="radio"/>
b	History of Operator/unit and/or location (including leakage , incident and compliance history)	Yes <input checked="" type="radio"/> No <input type="radio"/>	Needs Improvement <input type="radio"/>
c	Type of activity being undertaken by operator (construction etc)	Yes <input checked="" type="radio"/> No <input type="radio"/>	Needs Improvement <input type="radio"/>
d	For large operators, rotation of locations inspected	Yes <input checked="" type="radio"/> No <input type="radio"/>	Needs Improvement <input type="radio"/>

**SLR Notes:**

A thru D: Section 13- Yes to items a thru d. A review of AZ CC 2010 Policy and Procedures Major operator's -Section 5 pages 1 & 2, Section 6 & 7, Section 5 pages 3 & 4, Section 5 page 1, Section 4 page 2 confirm they have addressed these items.

**Inspection Performance**

<b>3</b>	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 Yes = 2 No = 0	2	2
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**SLR Notes:**

Yes, a review of 2010 Certification attachment 1 - Stats on Operators and AZ CC 2010 Policy and Procedures manual confirm the time intervals were met.

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

Yes. A review of the inspections forms contained in the 2010 Policy and Procedure document indicated all items in the federal inspection match their forms. On interstate inspections they use the PHMSA forms. Additionally, all proposed or suggested inspection forms are reviewed by the PHMSA Western prior to being implemented.

<b>5</b>	Did state complete all applicable portions of inspection forms? (Chapter 5.1 (3)) Previous Question B.6 Yes = 1 No = 0	1	1
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**SLR Notes:**

Yes, a review of their inspection documents found this information is being completed in each document.

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

They did not have any SRCR's in 2010.

<b>7</b>	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
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**SLR Notes:**

Yes, per the Arizona Corporation Commission's definition, "Active corrosion is continuing corrosion which, unless controlled, may result in a condition that is detrimental to public safety".

<b>8</b>	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
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**SLR Notes:**

Yes, this is identified in the Intrastate Hazardous Liquids Inspection Report form.

<b>9</b>	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
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**SLR Notes:**

Yes, Section 4, pages 1&2 of the Arizona Corporation Commission's 2010 Policy and Procedures Manual address this item.

<b>10</b>	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
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**SLR Notes:**

Yes, Arizona Corporation Commission's administrative rules require a laboratory test to be used if the cause of the failure could not be determined. Additionally, this information is addressed in the Intrastate Hazardous Liquids Inspection Report form.

<b>27</b>	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) Info Only = No Points	Info Only	Info Only
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**SLR Notes:**

Yes, program manager is familiar with civil penalties and has recommended and suggested civil penalty procedure in cases involving threatens to the public. He has used this action in the past and will continue to use it as a tool in future rate case hearings.

<b>28</b>	Part B: General Comments/Regional Observations Info Only = No Points	Info Only	Info Only
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**SLR Notes:**

No issues or loss of points in this section of the review.

## Compliance - 60105(a) States

<b>11</b>	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	1
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**SLR Notes:**

Yes, information located in file folders indicates documentation which includes photos and other relative information is being used to determine probable violations.

<b>12</b>	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	1
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SLR Notes:

Yes, Arizona Corporation Commission's 2010 Policy and Procedures Manual, Section 5 pages 1, 2, 5 & 7 address this item.

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<b>13</b>	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	1
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SLR Notes:

Yes, Arizona Corporation Commission's 2010 Policy and Procedures Manual, Section 5 page 1 address this item.

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<b>14</b>	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	1
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SLR Notes:

Yes, Arizona Corporation Commission's 2010 Policy and Procedures Manual, Section 5 page 5.

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<b>15</b>	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	1
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SLR Notes:

Yes, a review of the tracking board indicated twenty-five probable violations were issued and corrected in 2010. These violations were monitored until action was taken by the operator to correct the violations.

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<b>16</b>	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	1
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SLR Notes:

Yes. No issues.

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<b>17</b>	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:

No show cause hearings were conducted in 2010.

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<b>18</b>	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	1
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SLR Notes:

Yes, their written procedures and files indicate they adequately document all probable violations.

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<b>19</b>	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	0.5
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SLR Notes:

Yes, Section 5 page 1 of the 2010 Policy and Procedures Manual requires all correspondence be sent to the company officer for private company or manager/board member if the operator is a municipality or governmental agency.

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<b>20</b>	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	1
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SLR Notes:

Yes, Section 1 page 3 and Section 5 page 1 address this process in their AZ Corporation Commission's 2010 Policy and Procedures Manual.

### Compliance - 60106(a) States

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

<b>22</b>	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	NA
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SLR Notes:

<b>23</b>	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	NA
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SLR Notes:

<b>24</b>	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:

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

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

Total points scored for this section: 23.5  
Total possible points for this section: 23.5



# 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 1 1  
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Yes, they are using the federal documents for their inspections.

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

SLR Notes:

Yes. PHMSA Western Region stated, "Yes, they send the documentation within 30 days which is well in advance of the 60 day requirement."

**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 1 1  
Yes = 1 No = 0

SLR Notes:

Yes. This information was confirmed by the PHMSA Western Region office.

**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 1 1  
Yes = 1 No = 0

SLR Notes:

Yes, PHMSA Western Region stated, "The TransCanada NOPV is one that was referred to PHMSA Western Region."

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

SLR Notes:

Yes, PHMSA Western Region stated, "We usually heard from AZ before we received a NRC report. One case in point is when AZ had a gas shortage and neither NRC nor PHMSA was for-warned of this item from FERC."

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

SLR Notes:

Yes. PHMSA Western Region stated, "Yes, usually within 30 days."

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

SLR Notes:

Yes. PHMSA Western Region stated, "Yes the fairly recent Civil Penalty and Compliance Order that originated against TransCanda in 2010 is an excellent case in point."

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

SLR Notes:

No issues or lost of points in this section of the review.

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



# 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:**

Yes, this is address in their 2010 Policy and Procedure Manual section 10. PHMSA Western Region stated, "Yes we usually heard from AZ before we received a NRC report."

**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:**

Yes, this is mentioned in section 19 of the in-house training manual.

**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, Arizona Corporation Commission keeps telephonic incident reports by year in a binder and in an electronic data base program located on the commission's computer.

**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:**

Yes, AZ CC 2010 Policy and Procedures Manual, Section 1, page 16 and Telephonic Incident sheet address this item.

**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  No  Needs Improvement
- b. Contributing factors Yes  No  Needs Improvement
- c. Recommendations to prevent recurrences where appropriate Yes  No  Needs Improvement

**SLR Notes:**

No incidents occurred in 2010. However, a review of the Swissport Fueling Inc incident that occurred on April 3, 2009 indicates the investigation was thorough and conclusions were made in an acceptable manner.

**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:**

No incidents occurred in 2010. However, enforcement action has been taken and violations were resolved by formal response with corrective action being taken by the operator.

**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:**

PHMSA Western Region stated, "Yes, they cooperate very well with our accident /incident coordinator Peter Katchmar."

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

**SLR Notes:**



No issues or lost of points in this section of the review.

---

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



# PART E - Damage Prevention Initiatives

Points(MAX) Score

- |          |                                                                                                                                                                                                                                                                                                                  |   |   |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>1</b> | 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<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

**SLR Notes:**

Yes, during their standard inspection this item is reviewed. The Commission's in-house training course manual Section 13, Major Code Compliance Audit, addresses this item under the Damage Prevention check list.

- |          |                                                                                                                                                                                                                                                        |   |   |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>2</b> | 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<br>Yes = 2 No = 0 | 2 | 2 |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

**SLR Notes:**

Yes, this was checked during the standard inspections performed by all staff members. This is required by state law.

- |          |                                                                                                                                                                                                                                                               |   |   |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>3</b> | 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<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

**SLR Notes:**

Yes, the Arizona Corporation Commission has been working with several organizations in promoting best practices on damage prevention and the adoption of the Common Ground Alliance Best Practices.

- |          |                                                                                                                                                                                     |   |   |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>4</b> | 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<br>Yes = 1 No = 0 | 1 | 1 |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

**SLR Notes:**

Yes, information would be available if damages had occurred on any of the hazardous liquid pipelines located in Arizona. In 2010, the three intrastate hazardous liquid operators did not have any damages to their underground facilities.

- |          |                                                                                                                                                                                                                                 |   |   |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>5</b> | 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)?<br>Yes = 2 No = 0 | 2 | 2 |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

**SLR Notes:**

Yes, this item is reviewed on their standard inspection form entitled, "Hazardous Liquids Pipeline Safety Inspection Report", page 1.

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

**SLR Notes:**

No issues or lost of points in this section of the review.

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:  
Plains LPG Services, L. P., a subsidiary of Plains Marketing L.P., opid 26085  
Name of State Inspector(s) Observed:  
Alan Borne, Mike Bell  
Location of Inspection:  
503 E Plaza Circle, Suite C, Litchfield Park, AZ 85340  
Date of Inspection:  
3/2-3/2011  
Name of PHMSA Representative:  
Patrick Gaume

### SLR Notes:

Plains personnel:  
Wayne Liles Facility Supervisor 623-935-5590  
Bill Olendick Terminal Lead Operator 623-935-1395  
Donald Waldhauser Maintenance Planner 623-935-5590  
Craig Johnson Division Safety Manager 661-336-7912  
Kevin Shaw Operations Technician 623-935-1395  
Ronald Conrow West District Manager 661-589-5377  
Calvin Buzz Nichol Regulatory Compliance Specialist 562-728-2056  
OPS Representative: Alan Borne, Mike Bell Date: 3/1 - 3/3/2011

---

**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:

F.2. yes, and the inspection was held in the Operator's office.

---

**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:

F.3. yes, use a State Form that includes State and Fed requirements. AZ is well familiar with the Federal Form and will use it if the inspection reveals a need to use it.

---

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

### SLR Notes:

F.4. yes, for the two days I was present, they completed a specific portion of Procedures, a specific portion of Records, and a full Field inspection. In addition to the Std Insp, they performed a Drug and Alcohol inspection, a portion of the Break Out tank inspection, and an OQ Field inspection is planned.

---

**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:

F.5. Yes, equipment that was used in the Field included hand tools, lifting straps, multi-meter, half cell, full PPE, use of a CGI to test the very small valve vault, instruction to include a safety orientation, and use of CP records.

---

**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:

F.6. Yes, It was a Standard Inspection.

- 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:**

F.7. Yes, for Procedures, Records, Field, Drug and Alcohol, and portions of Break Out Tank.

- 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:**

F.8. Yes, Alan & Mike showed good & adequate knowledge of the pipeline safety program goals and regulations.

- 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:**

F.9. Yes, an informal verbal pre-exit interview for the work that was done through end-of-day was held.

- 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:**

F.10. Yes, items include: 195.402.c.12-need improved contact list for public officials, 440.d.2- doesn't address hazards associated with accidental liquid releases, 195.228.b-no reference that welds are inspected to API 1104 Section 9, 195.234.D-G ? failed to specify the % of welds to be tested, 195.428 Relief valve inspection exceeded 5 years, 195.420.B ? Main line valve inspection exceeded 7.5 months, 195.434 ? Signs at the HVL receiving terminal need to include a sign for turning electronic devices off, and to replace the 'Warning Flammable Gas' sign. 195.258.A ? certain valves have highly limited accessibility at the receiving terminal, 195.205.A ? the O&M is void of references to API 2510 and/or lacks detail to address what is found in API 2510, 195.264- Impoundment is lacking as per API 2510, 195.264.C ? details for site security is not addressed.

- 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:**

F.11. Items observed in the field included valves, locks, fences, signs, line markers, CP, & atmospheric corrosion, site cleanliness. EMERGENCY PH NUMBER, site security, bolts, transition zone pipe protection, called the emergency phone number, pipe supports, ROW, rectifiers, pipe support bracing, tight spots and clearance at the facilities, vault cover, Casing CP, apparent short on a casing, line locate paint and marks, fire eye, overfill protection, fill and temperature gauges, pump condition and status, hand fire extinguishers. Various pressure reliefs, and Site emergency exits.

- 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:**

F.12. Good housekeeping makes a great first impression. Pipe and valve markings at the facilities were excellent.

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

- a. Abandonment
- b. Abnormal Operations
- c. Break-Out Tanks
- d. Compressor or Pump Stations
- e. Change in Class Location
- f. Casings
- g. Cathodic Protection
- h. Cast-iron Replacement



- i. Damage Prevention
- j. Deactivation
- k. Emergency Procedures
- l. Inspection of Right-of-Way
- m. Line Markers
- n. Liaison with Public Officials
- o. Leak Surveys
- p. MOP
- q. MAOP
- r. Moving Pipe
- s. New Construction
- t. Navigable Waterway Crossings
- u. Odorization
- v. Overpressure Safety Devices
- w. Plastic Pipe Installation
- x. Public Education
- y. Purging
- z. Prevention of Accidental Ignition
- A. Repairs
- B. Signs
- C. Tapping
- D. Valve Maintenance
- E. Vault Maintenance
- F. Welding
- G. OQ - Operator Qualification
- H. Compliance Follow-up
- I. Atmospheric Corrosion
- J. Other

SLR Notes:

F.13. yes, items checked in the field included items c, d, f, g, i, j, l, m, v, B, D, I.

**14** Part F: General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

F.14. Haz Liq Mr. Alan Borne & Mr. Mike Bell were observed conducting a Standard Inspection of Plains LPG Services, L. P., a subsidiary of Plains Marketing L.P., opid 26085. They inspected Procedures, Records, and the Field. They showed professional level knowledge of the pipeline safety program goals and regulations, and they conducted themselves cordially and professionally while performing the review.

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:

Yes, AZ Corporation Commission's 2010 Policy and Procedures address this item for private operators in section 4, page 1. "The AZ CC Pipeline Safety Section on a continuing basis, reviews and evaluates all pipeline operators within the State of Arizona taking into consideration: excavation damage, corrosion, leakage, incidents, compliance history, natural forces, other outside forces, materials and welds, equipment operations and all other factors that may impact the safe operation of the pipeline. Based on this evaluation, additional non-annual inspections may be conducted."

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

### SLR Notes:

Yes, AZ Corporation Commission's 2010 Policy and Procedure manual in section 1, page 32 provides a complete description of an inspection unit for each type of system. This information was added to the manual in last year's revision.

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

### SLR Notes:

Yes, this is addressed in the 2010 AZCC Policy and Procedure Manual, section 4 page 1 which states, "The AZ CC Pipeline Safety Section on a continuing basis, reviews and evaluates all pipeline operators within the State of Arizona taking into consideration: excavation damage, corrosion, leakage, incidents, compliance history, natural forces, other outside forces, materials and welds, equipment operations and all other factors that may impact the safe operation of the pipeline. Based on this evaluation, additional non-annual inspections may be conducted."

## 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:

Yes, AZ Corporation Commission receives pipeline safety telephonic incident reports from all stakeholders when any damage occurs or a complaint is filed on all underground facilities. These reports are reviewed and used as a model to track the effectiveness of their state's damage prevention efforts. No issues.

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

### SLR Notes:

Yes, Ryan Weight reviews all reports as they are submitted. Additionally, AZ Corporation Commission's 2010 Policy & Procedure Manual Section 4 page 4 addresses this item. It states, "All major operator annual reports shall be routed to the Pipeline Safety Supervisor or Designee. Reports shall be reviewed by the inspector(s) who are assigned to the audit. The reports shall be reviewed for completeness and accuracy. Annual reports with inaccuracies will be assigned to an inspector who will contact the operator for corrections and supplemental reports."

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

### SLR Notes:

Yes, Ryan Weight reviews all reports as they are submitted. Additionally, AZ Corporation Commission's 2010 Policy & Procedure Manual Section 4 page 1 addresses this item.

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

### SLR Notes:

Yes, this is reviewed prior to and during the standard inspections by each inspector. Additionally, the program manager reviews all accident and incident reports and shares the information reviewed with staff members.

**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:**

Yes, they use past inspection reports, data on the operator's system and other information.

**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:**

A review of the PHMSA OQ Database revealed the last OQ Inspection data entered was Amerigas on November 15, 2005. Although OQ Inspections were performed during AZCC standard inspection visits in 2010, this information was not recorded or entered into the PHMSA web based database by staff members. Therefore, a loss of 0.5 points was assessed for this item.

On May 23, 2011, we discussed this item and additional loss of points with Robert Miller for clarification between his organization and PHMSA requirements on OQ inspection results. This requirement is listed on page 24 of the "Guidelines for States Participating in the Pipeline Safety Program".

**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:**

A review of Integrity Management Database found no information was submitted by the operators pertaining to their integrity management programs to require a review and response by AZCC. Therefore, the response to this question is a NA.

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

**SLR Notes:**

A review of PHMSA IMDB found the federal protocol forms for Intrastate Hazardous Liquid operators have not been uploaded for those inspections performed in 2010. A loss of .05 point was assessed.

**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 NA  
 Yes = .5 No = 0

**SLR Notes:**

NA. No inspections were performed.

**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:**

Yes, this information is reviewed by AZ CC staff members who go online to the National Pipeline Mapping System database and verify this information prior to performing an inspection.

## Accident/Incident Investigation Learning and Sharing Lessons Learned

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

**SLR Notes:**

Yes, they participate in NAPSRS & PHMSA surveys and share information with all states during the NAPSRS Western Region Meeting on incidents and accidents that have occurred in their state.

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

**SLR Notes:**

Yes, they participate in all NAPSRS and data committees seeking information on accidents and their causes.

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

**SLR Notes:**



Yes, they have an in-house training course which requires the inspector to determine cause using an investigative tree along with a state law that addresses laboratory analysis. This requirement is listed in Arizona Corporation Commission's Administrative Law Section R-14-202(S).

---

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

**SLR Notes:**

Yes, this is a part of their investigative process.

---

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

**SLR Notes:**

Yes, Robert Miller attended the course on April, 2010. Alan Borne and Ryan Weight completed the course on September 13, 2010. Other AZCC inspectors are scheduled to attend the root cause analysis training course in 2011.

---

## 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:**

Yes, this is accomplished by Phoenix Light Rail Committee, Arizona One Call Center, AZ Emergency Response Committee Advisory Board and participation with operators in public awareness meetings, Arizona Common Ground Alliance, Damage Prevention Public Awareness Seminars, and other associated organizations and committees dealing with pipeline safety matters. AZCC staff members have quarterly meetings with Southwest Natural Company executive members to discuss common or potential issues on safety, maintenance, operations and on-going projects.

---

**20** Does state share enforcement data with public? (Website, newsletters, etc.) .5 0.5  
Yes = .5 No = 0

**SLR Notes:**

Yes, this is accomplished through the Arizona Corporation Commission's public docket on their website. No issues.

---

**21** Part G: General Comments/Regional Observations Info Only Info Only  
Info Only = No Points

**SLR Notes:**

Question 9: A review of the PHMSA OQ Database revealed the last OQ Inspection data entered was Amerigas on November 15, 2005. Although OQ Inspections were performed during AZCC standard inspection visits in 2010, this information was not recorded or entered into the PHMSA web based database by staff members. Therefore, a loss of 0.5 points was assessed for this item.

Question 11: A review of PHMSA IMDB found the federal protocol forms for Intrastate Hazardous Liquid operators have not been uploaded for those inspections performed in 2010. A loss of .05 point was assessed.

Total number of points deducted in this section was 1.0.

---

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



**PART H - Miscellaneous**

**Points(MAX) Score**

- 1** What were the major accomplishments for the year being evaluated? (Describe the accomplishments, NAPS R Activities and Participation, etc.) Previous Question A.15 .5 0.5  
Yes = .5 No = 0

**SLR Notes:**

Robert Miller served as Chair of the NAPS R Western Region in 2010 and 2011. He participated in both the NAPS R Region and National Meetings representing the AZCC and Western Region States. Robert is an active member on the PPDC. He serves on the PHMSA T&Q Training Needs Committee making recommendations on proposed topics and courses to be developed for training of state and federal inspectors. Corky Hanson is a member of the NAPS R Data Team B31Q Team and serves on the Arizona Emergency Response Committee. Staff members have participated in AZ Blue Stake ticket resolution committee making improvements in damage prevention. Staff members have participated in Phoenix Light rail corrosion committee work in presenting information on corrosion control measures. In 2010, AZCC conducted 16 master meter training seminars with 271 attendees participating in the meetings at different locations within the State of Arizona. They continue to maintain their in-house training course for new employees which have been helpful to them prior to performing an inspection. In 2010 they hired one new inspector, Brady Sargent, who has several years of experience and attend the PL 3275 course in Oklahoma City, OK. Ryan Weight was appointed to the Public Awareness Committee and Alan Borne appointed to the NAPS R Research and Development Committee.

- 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 .5 0.5  
Yes = .5 No = 0

**SLR Notes:**

AZCC administrative rules have been assigned a docket number RG-00000A-11-0161. A public hearing has been scheduled for July or August, 2011 to discuss the new rules and impact to all operators. It is anticipated the rules will become effective at the end of 2011. The rules include additional telephonic requirements for all gas, liquid and master meter operators. The rules will address outages, evacuation of individuals during an emergency, abandonment of pipelines and cathodic protection. The rules will be more stringent than the federal regulations.

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

**SLR Notes:**

None.

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

**SLR Notes:**

Yes, AZCC is participating and providing information to all NAPS R & PHMSA surveys and questionnaires. Additional request through FOI or other organizations is being provided on a one to one request.

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

**SLR Notes:**

Program Manager continues to share information on the natural gas outages that occurred last year with the New Mexico Program Manager. Information requested from other state agencies about their master meter inspection programs is provided and assistance is given to help improve their safety program.

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

**SLR Notes:**

No issues or loss of points were assessed in this selection.

Total points scored for this section: 2.5  
Total possible points for this section: 2.5



## PART I - Program Initiatives

Points(MAX) Score

### Drug and Alcohol Testing (49 CFR Part 199)

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

SLR Notes:

Yes, this is identified during the standard inspection performed on all hazardous liquid operators. They use the following forms entitled, "Field Inspection Form Anti-Drug Program and Field Inspection Form Alcohol Misuse Prevention Program". These forms address all the requirements in Part 199.

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

SLR Notes:

Yes, this requirement is accomplished in the Anti-Drug and Alcohol Misuse Prevention Program forms used by the inspector.

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

SLR Notes:

Yes, this is accomplished by their inspection forms.

### Qualification of Pipeline Personnel (49 CFR Part 195 Subpart G)

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

SLR Notes:

Yes, they use PHMSA (OQ) Field Inspection form 15 to accomplish this requirement. In 2010, they performed three drug and alcohol inspections.

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

SLR Notes:

Yes, a review of their files indicated all hazardous liquid operators were checked for compliance with PHMSA rules and regulation on the operator qualification program.

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

SLR Notes:

Yes, this is accomplished during the standard inspection performed on all operators.

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

SLR Notes:

Yes, this is accomplished during the standard inspection performed on all operators. Random record checks are being performed during their inspections visits to insure the individuals have been re-qualified at the required intervals.

### Hazardous Liquid Pipeline Integrity Management (49 CFR Part 195.452)

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

SLR Notes:

Yes, this was accomplished by having the three hazardous liquid operators file with Arizona Corporation Commission their integrity management program documents. Also, they did perform an initial inspection on the operators and review the existing programs each year during their standard inspection.

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

SLR Notes:

Yes, two hazardous liquid operators have HCA's. The HCA's were verified by staff members during the inspections performed on the facilities. The HCA's are located in class 2 locations.

---

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

**SLR Notes:**

Yes, this was accomplished by reviewing the three hazardous liquid operator's filings and documents submitted to them and field verifications.

---

<b>11</b>	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? Yes = .5 No = 0	.5	0.5
-----------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----	-----

**SLR Notes:**

Yes, this was accomplished by reviewing the three hazardous liquid operator's filings and documents during their annual inspection visits.

---

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

**SLR Notes:**

Yes, Arizona Corporation Commission staff members during their standard inspection visits will drive and observe any changes along the hazardous liquid pipelines with the operator and look for any new HCAs.

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### Public Awareness (49 CFR Section 195.440)

<b>13</b>	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)? Yes = .5 No = 0	.5	0.5
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**SLR Notes:**

Yes, AZCC verified this information through the Clearinghouse and during the standard inspection visit.

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<b>14</b>	Has the state reviewed the content of these programs for compliance with 195.440 (by participating in the Clearinghouse or by other means)? Yes = .5 No = 0	.5	0.5
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**SLR Notes:**

Yes, AZCC verified this information through the Clearinghouse and performed a follow-up inspection. Ryan Weight, AZCC staff member, called each operator pertaining to the follow-up items and discussed what action may need to be performed by the operator.

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

Yes, AZCC verified this information through the Clearinghouse and during the standard inspection.

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<b>16</b>	Is the state verifying that operators have evaluated their public awareness programs for effectiveness as described in RP1162? Info Only = No Points	Info Only	Info Only
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**SLR Notes:**

Yes, AZCC verified this information via the standard inspection format.

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<b>17</b>	Part I: General Comments/Regional Observations Info Only = No Points	Info Only	Info Only
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**SLR Notes:**

No issues or loss of points were assessed in this selection.

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

