



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

1200 New Jersey Avenue SE  
Washington DC 20590

## 2012 Hazardous Liquid State Program Evaluation

for

ARIZONA CORPORATION COMMISSION, Office of Pipeline Safety

### Document Legend

#### PART:

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



2012 Hazardous Liquid State Program Evaluation -- CY 2012  
Hazardous Liquid

**State Agency:** Arizona  
**Agency Status:**  
**Date of Visit:** 04/30/2013 - 05/01/2013  
**Agency Representative:** Robert Miller, Pipeline Safety Supervisor  
**PHMSA Representative:** Jim Anderson, State Liaison  
**Commission Chairman to whom follow up letter is to be sent:**  
**Name/Title:** Bob Stump, Chairman  
**Agency:** Arizona Corporation Commission  
**Address:** 1200 West Washington  
**City/State/Zip:** Phoenix, Arizona 85007-2996

**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 2012 (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**

<b>PARTS</b>	<b>Possible Points</b>	<b>Points Scored</b>
A Progress Report and Program Documentation Review	10	9.5
B Program Inspection Procedures	15	15
C Program Performance	42	42
D Compliance Activities	15	15
E Accident Investigations	3	3
F Damage Prevention	8	8
G Field Inspections	12	12
H Interstate Agent State (if applicable)	3	3
I 60106 Agreement State (if applicable)	0	0
<b>TOTALS</b>	<b>108</b>	<b>107.5</b>
<b>State Rating</b> .....		<b>99.5</b>



# PART A - Progress Report and Program Documentation Review

Points(MAX) Score

<b>1</b>	Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1 (A1a) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:  
Yes. No issues.

<b>2</b>	Review of Inspection Days for accuracy - Progress Report Attachment 2 (A1b) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:  
Yes. No issues

<b>3</b>	Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3 (A1c) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:  
Yes. No issues, Attachment I and Attachment III match.

<b>4</b>	Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 (A1d) Yes = 1 No = 0 Needs Improvement = .5	1	0.5
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Evaluator Notes:  
Needs Improvement - Reported Kinder Morgan El Paso natural gas line incident on the Hazardous Liquid Progress Report.

<b>5</b>	Accuracy verification of Compliance Activities - Progress Report Attachment 5 (A1e) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:  
Yes. No issues.

<b>6</b>	Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 (A1f, A4) Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:  
Yes. Paper and electronicly.

<b>7</b>	Was employee listing and completed training accurate and complete? - Progress Report Attachment 7 (A1g) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:  
Yes.

<b>8</b>	Verification of Part 195,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:  
No new Amendments in 2012.

<b>9</b>	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:

Yes, In attachment 10 of the progress report the state has provided a description of their planned annual and long term goals.

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**10** General Comments:

Info Only|Info Only

Info Only = No Points

Evaluator Notes:

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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:  
 Yes. Section 5, pages 1 & 2 of the inspection procedures manual.

**2** IMP Inspections (B1b) 1 1  
 Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:  
 Yes. Section 5, page 1 of the inspection procedures manual.

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

Evaluator Notes:  
 Yes. Section 5, page 1 of the inspection procedures manual.

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

Evaluator Notes:  
 Conducted during a standard inspection.

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

Evaluator Notes:

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

Evaluator Notes:  
 Yes. Section 4, page 2 of the inspection procedures manual.

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

Evaluator Notes:  
 Conducted as needed.

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



Evaluator Notes:

Yes, Arizona takes all of the above items into consideration when scheduling and conducting inspections. All operators; natural gas, LPG, LNG and hazardous liquid operators with the exception of Priority 2 master meter operators are inspected every year. Priority 2 master meter operators are described in Arizona policies and procedures and are inspected once every two years. If the inspector feels that there is an increased risk based on leaks or other risk factors such as increased number of violations the procedures allows the inspector to reclassify the inspection to a higher risk priority 1 status requiring annual inspections.

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**9** General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

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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? **5** **5**  
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):

65.50

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

220 X 0.35 = 77.00

Ratio: A / B

65.50 / 77.00 = 0.85

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

Evaluator Notes:

Yes. .85 ratio exceeds the .38 ratio needed.

**2** Has each inspector and program fulfilled the T Q Training Requirements? (See Guidelines for requirements) Chapter 4.4 (A8-A11, G19) **5** **5**  
Yes = 5 No = 0 Needs Improvement = 1-4

- a. Completion of Required OQ Training before conducting inspection as lead? Yes  No  Needs Improvement
- b. Completion of Required IMP Training before conducting inspection as lead? Yes  No  Needs Improvement
- c. Root Cause Training by at least one inspector/prgram manager Yes  No  Needs Improvement
- d. Note any outside training completed Yes  No  Needs Improvement

Evaluator Notes:

Yes, a review of training and inspection records compared to attachment 7 of the progress report confirms training requirements have been met.

**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. Robert Miller has been program manager for 6 years and has served on many NAPSR/PHMSA committees.

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

Evaluator Notes:

Yes. The 2011 evaluation letter dated to the Chair was August 24, 2012 and the Chair's response was dated October 24, 2012.

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

Evaluator Notes:

Yes. Last TQ seminar was held January 2012.

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

Evaluator Notes:

Yes.



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.

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8	Did the state review operator procedures for determining areas of active corrosion on liquid lines in sufficient detail? (NOTE: PHMSA representative to describe state criteria for determining areas of active corrosion) (B7) Yes = 1 No = 0	1	1
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Evaluator Notes:  
Yes.

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9	Did the state adequately review for compliance operator procedures for abandoning pipeline facilities and analyzing pipeline accidents to determine their causes? (NOTE: PHMSA representative to describe state criteria for determining compliance with abandoning pipeline facilities and analyzing pipeline accidents to determine their causes) (B8) Yes = 1 No = 0	1	1
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Evaluator Notes:  
Yes.

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

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11	Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 195.402(c)(5)? (B10,E5) Yes = 1 No = 0	1	1
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Evaluator Notes:  
Yes, this is reviewed and addressed on Arizona's inspection report. All state reportable damages track notification to company time v/s gas off times. Arizona also collects and tracks pipeline damage information including number of locate tickets, damages per thousand tickets and by type of damage; no ticket, miss-marked locate, 1st 2nd and 3rd party damages.

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12	Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? Data Initiative (G5-8,G15) Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:  
Yes, this information is reviewed by staff and the supervisor and is currently being trended over a five year period to identify any potential increase in risk factors such as leakage and unaccounted for gas loss. The annual report is also reviewed with the operator during the annual standard inspection.

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

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

Evaluator Notes:

Yes this information is reviewed prior to each inspection and following any construction activities.

- |           |  |   |   |
|-----------|--|---|---|
| <b>15</b> | 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

Yes, Arizona uses stand-alone inspection report forms that are completed during the standard inspection.

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

Evaluator Notes:

Yes, Arizona uses the Federal check list to verify the operator is compliance.

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

Evaluator Notes:

Yes.

- |           |  |   |   |
|-----------|--|---|---|
| <b>18</b> | Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 195.440 (I13-16)<br>PAPEI Effectiveness Inspections should be complete by December 2013<br><br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

Yes, Arizona has completed their first round of inspections.

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

Evaluator Notes:

Yes, Arizona maintains a public web site, maintains a working relationship and meets with the Arizona Utility Group, Arizona is a member of; AZ National Utility contractors Association, One Call ticket resolution committee, Arizona Emergency Response committee Advisory Board, Arizona and National Common Ground Alliance. Arizona participates as a sponsoring member of the Az 811 alliance. Arizona meets quarterly with our largest LDC, Southwest Gas Corporation (1.2 million customers) quarterly to discuss possible safety issues, and ongoing maintenance, operational issues and vintage pipe replacement projects or other issues relevant to the safe operation of pipelines in Arizona.

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

Evaluator Notes:

No SRC in 2012.



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

Evaluator Notes:

Yes, Arizona had surveyed all operators and addressed this issue with all operators. Certain plastic pipe has been disallowed for use through administrative rule making.

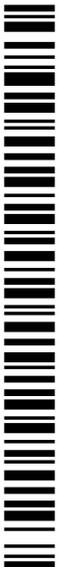
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22 General Comments: Info Only|Info Only  
Info Only = No Points

Evaluator Notes:

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



# PART D - Compliance Activities

Points(MAX) Score

- |   |   |                                      |  |
|---|---|--------------------------------------|--|
| 1 | Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1 (B12-14, B16, B1h)<br>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. Section 5, page 5 of the inspection plan manual.

- |   |  |                                      |  |
|---|--|--------------------------------------|--|
| 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)<br>Yes = 4 No = 0 Needs Improvement = 1-3 | 4                                    | 4  |
|   | a. Were compliance actions sent to company officer or manager/board director 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:

Yes.

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

Evaluator Notes:

Yes.

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

Evaluator Notes:

Yes. No "show causes" in 2012.

- |   |   |   |   |
|---|---|---|---|
| 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)<br>Yes = 2 No = 0 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes.

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

Evaluator Notes:

Yes. Issued and collected a civil penalty of \$85,000 in 2008 for natural gas violation. None in 2012.

- |   |  |   |   |
|---|--|---|---|
| 7 | General Comments:<br>Info Only = No Points | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

Info Only Info Only



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



**PART E - Accident Investigations**

**Points(MAX) Score**

**1** Does state have adequate mechanism to receive and respond to operator reports of accidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 (A2,D1-3) **2 2**  
Yes = 2 No = 0 Needs Improvement = 1

- a. Acknowledgement of MOU between NTSB and PHMSA (Appendix D) Yes  No  Needs Improvement
- b. Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) Yes  No  Needs Improvement

Evaluator Notes:  
Yes.

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

Evaluator Notes:  
No accidents in 2012.

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

- a. Observations and document review Yes  No  Needs Improvement
- b. Contributing Factors Yes  No  Needs Improvement
- c. Recommendations to prevent recurrences where appropriate Yes  No  Needs Improvement

Evaluator Notes:  
No accidents in 2012.

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

Evaluator Notes:  
No accidents in 2012.

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

Evaluator Notes:  
No accidents in 2012.

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

Evaluator Notes:  
Yes, Arizona participates at NAPS regional and national meetings and has provides information and lessons learned with state partners on a regular basis.

**7** General Comments: **Info Only Info Only**  
Info Only = No Points

Evaluator Notes:



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



# PART F - Damage Prevention

Points(MAX) Score

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

Evaluator Notes:

Yes, this item is identified on our standard inspection forms and is also addressed during their in-house training course; major operator inspection.

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

Evaluator Notes:

Yes, this is part of the standard inspection check list and is reviewed during the standard inspection.

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

Evaluator Notes:

Yes, this is accomplished through monthly meetings with stake holders, participation at public awareness seminars held throughout the state, distribution of the interactive training DVD the covers the Arizona Underground Facilities Law.

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

Evaluator Notes:

Yes, Arizona collects quarterly damage reports form all operators (except master meter) this information includes the number of tickets, number of damages causes of the damage. This information is reviewed and evaluated .

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

Evaluator Notes:

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



# PART G - Field Inspections

Points(MAX) Score

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

Name of Operator Inspected:  
 Plains LPG Services, LLP  
 Name of State Inspector(s) Observed:  
 Marion Garcia  
 Location of Inspection:  
 Plains facilities, North Phoenix, AZ  
 Date of Inspection:  
 April 4, 2013  
 Name of PHMSA Representative:  
 Rex Evans

Evaluator Notes:  
 Observed Marion Garcia perform field evaluation of Plains facilities in North Phoenix, no issued.

**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:  
 Operator along with many field personnel were present. No issues.

**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:  
 No issues.

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

Evaluator Notes:  
 Results were thoroughly documented. No issues.

**5** Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps, valve keys, half cells, etc) (F5) 1 1  
 Yes = 1 No = 0

Evaluator Notes:  
 Yes, operator had half-cell and appropriate equipment to do valve maintenance.

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

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

Evaluator Notes:  
 All jurisdictional facilities were reviewed in additional to line from plant to storage facility.

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

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Inspector conducted a thorough evaluation of facilities.

<b>8</b>	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
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Evaluator Notes:

Inspector reviewed issues with operator, no issues.

<b>9</b>	During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable) (F10) Yes = 1 No = 0	1	1
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Evaluator Notes:

Yes, welding procedures and review of a pressure test of installed pipe were discovered and identified to operator.

<b>10</b>	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
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- |    |                                   |                                     |
|----|-----------------------------------|-------------------------------------|
| a. | Abandonment                       | <input type="checkbox"/>            |
| b. | Abnormal Operations               | <input type="checkbox"/>            |
| c. | Break-Out Tanks                   | <input type="checkbox"/>            |
| d. | Compressor or Pump Stations       | <input checked="" type="checkbox"/> |
| e. | Change in Class Location          | <input type="checkbox"/>            |
| f. | Casings                           | <input type="checkbox"/>            |
| g. | Cathodic Protection               | <input checked="" type="checkbox"/> |
| h. | Cast-iron Replacement             | <input type="checkbox"/>            |
| i. | Damage Prevention                 | <input type="checkbox"/>            |
| j. | Deactivation                      | <input type="checkbox"/>            |
| k. | Emergency Procedures              | <input type="checkbox"/>            |
| l. | Inspection of Right-of-Way        | <input checked="" type="checkbox"/> |
| m. | Line Markers                      | <input checked="" type="checkbox"/> |
| n. | Liaison with Public Officials     | <input type="checkbox"/>            |
| o. | Leak Surveys                      | <input type="checkbox"/>            |
| p. | MOP                               | <input type="checkbox"/>            |
| q. | MAOP                              | <input type="checkbox"/>            |
| r. | Moving Pipe                       | <input type="checkbox"/>            |
| s. | New Construction                  | <input type="checkbox"/>            |
| t. | Navigable Waterway Crossings      | <input type="checkbox"/>            |
| u. | Odorization                       | <input type="checkbox"/>            |
| v. | Overpressure Safety Devices       | <input type="checkbox"/>            |
| w. | Plastic Pipe Installation         | <input type="checkbox"/>            |
| x. | Public Education                  | <input type="checkbox"/>            |
| y. | Purging                           | <input type="checkbox"/>            |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/>            |
| A. | Repairs                           | <input type="checkbox"/>            |
| B. | Signs                             | <input type="checkbox"/>            |
| C. | Tapping                           | <input type="checkbox"/>            |
| D. | Valve Maintenance                 | <input checked="" type="checkbox"/> |
| E. | Vault Maintenance                 | <input type="checkbox"/>            |
| F. | Welding                           | <input type="checkbox"/>            |



- G. OQ - Operator Qualification
- H. Compliance Follow-up
- I. Atmospheric Corrosion
- J. Other

Evaluator Notes:

Items were reviewed during field review on the limited facilities. This is a station that unloads propane from tank cars and moves to storage facility a short distance away.

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

Evaluator Notes:  
Yes. Used PHMSA's Inspection Assistance inspection form on line.

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

Evaluator Notes:  
Yes.

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

Evaluator Notes:  
Yes. Through IA.

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

Evaluator Notes:  
Non found in 2012.

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

Evaluator Notes:

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

Evaluator Notes:  
None found.

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

Evaluator Notes:  
None found.

**8** General Comments: Info OnlyInfo Only  
Info Only = No Points

Evaluator Notes:

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



**PART I - 60106 Agreement State (if applicable)**

**Points(MAX) Score**

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

**7** General Comments: Info Only Info Only  
Info Only = No Points

Evaluator Notes:

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

