



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

1200 New Jersey Avenue SE
Washington DC 20590

2014 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)



2014 Hazardous Liquid State Program Evaluation -- CY 2014
Hazardous Liquid

State Agency: Arizona
Agency Status:
Date of Visit: 04/14/2015 - 04/16/2015
Agency Representative: Robert Miller
PHMSA Representative: Jim Anderson
 Rex Evans
Commission Chairman to whom follow up letter is to be sent:
Name/Title: Susan Bitter Smith, Chairman
Agency: Arizona Corporation Commission
Address: 1200 West Washington
City/State/Zip: Phoenix, Arizona 85007-2996

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

INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2014 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

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

Scoring Summary

PARTS	Possible Points	Points Scored
A Progress Report and Program Documentation Review	9	9
B Program Inspection Procedures	13	13
C Program Performance	42	42
D Compliance Activities	15	15
E Accident Investigations	6	6
F Damage Prevention	8	8
G Field Inspections	10	10
H Interstate Agent State (if applicable)	4	4
I 60106 Agreement State (if applicable)	0	0
TOTALS	107	107
State Rating		100.0

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

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

2	Review of Inspection Days for accuracy - Progress Report Attachment 2 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:
Yes. No issues.

3	Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:
Yes. No issues.

4	Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 Yes = 1 No = 0 Needs Improvement = .5	1	NA
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Evaluator Notes:
No accidents in 2014.

5	Accuracy verification of Compliance Activities - Progress Report Attachment 5 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:
Yes. No issues. 15 probable violations found in 2014.

6	Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:
Operator reports are kept electronically and as paper copies.

7	Was employee listing and completed training accurate and complete? - Progress Report Attachment 7 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:
Yes. Verified using TQ SABA database.

8	Verification of Part 195,198,199 Rules and Amendments - Progress Report Attachment 8 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:
No new amendments in 2014. AZCC adopts rules every 2 years.

9	List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 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.

10 General Comments:

Info Only|Info Only

Info Only = No Points

Evaluator Notes:

Total points scored for this section: 9

Total possible points for this section: 9



PART B - Program Inspection Procedures

Points(MAX) Score

- 1 Standard Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities.

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

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

- 2 IMP Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities.

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

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

- 3 OQ Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities.

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

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

- 4 Damage Prevention Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities.

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Conducted during a standard inspection.

- 5 Any operator training conducted should be outlined and appropriately documented as needed.

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. Section 7, page 6 of the inspection procedures manual.

- 6 Construction Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities.

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. Section 5, page 3 of the inspection procedures manual and Section 7, page 2.

- 7 Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements?

Yes = 6 No = 0 Needs Improvement = 1-5

- a. Length of time since last inspection (Within five year interval)

Yes No Needs Improvement

- b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) Yes No Needs Improvement
- c. Type of activity being undertaken by operators (i.e. construction) Yes No Needs Improvement
- d. Locations of operators inspection units being inspected - (HCA's, Geographic area, Population Density, etc) Yes No Needs Improvement
- 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 No Needs Improvement
- f. Are inspection units broken down appropriately? Yes No Needs Improvement

Evaluator Notes:

Yes. Arizona takes all of the above items into consideration when scheduling and conducting inspections. All operators; 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 procedure allows the inspector to reclassify the inspection to a higher risk priority 1 status requiring annual inspections.

8 General Comments:
Info Only = No Points

Info Only Info Only

Evaluator Notes:

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



PART C - Program Performance

Points(MAX) Score

- 1** Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 5 5
 Yes = 5 No = 0
 A. Total Inspection Person Days (Attachment 2):
 39.00
 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
 39.00 / 77.00 = 0.51
 If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
 Points = 5

Evaluator Notes:
 Yes, .51 exceeds .38 ratio needed.

- 2** Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 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
 - e. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. 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 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:
 Yes. Robert Miller has been program manager for 8 years, has served on many NAPSRS/PHMSA committees and is current NAPSRS Chairman.

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

Evaluator Notes:
 Yes. The 2013 evaluation letter to Chair was dated August 28, 2014 and the Chair's response was dated October 17, 2014.

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

Evaluator Notes:
 Yes. 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 5 5
 Yes = 5 No = 0 Needs Improvement = 1-4

Evaluator Notes:
 Yes. Reviewed inspection report database.



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 Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:
Yes. No issues.

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

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) Yes = 1 No = 0	1	1
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Evaluator Notes:
Yes.

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

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)? Yes = 1 No = 0	1	1
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Evaluator Notes:
Yes. This is reviewed and addressed on Arizona's inspection report. Arizona also collects and tracks pipeline damage information including number of locate tickets, damages per thousand tickets and by type of damage; no ticket, mis-marked locate, 1st 2nd and 3rd party damages.
No accidents in 2014.

12	Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? 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 los. The annual report is also reviewed with the operator during the annual standard inspection.

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 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.

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

Evaluator Notes:

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

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

Evaluator Notes:

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

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

Evaluator Notes:

Yes, Arizona uses the federal checklist to verify the operator/contractors are in compliance.

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

Evaluator Notes:

Yes. This item is addressed during the standard inspection.

18 Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 195.440 PAPEI Effectiveness Inspections should have been completed by December 2013 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Arizona has completed their first round of inspections.

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

Evaluator Notes:

Yes, Arizona maintains a public website, maintains a working relationship and meets with the Arizona Utility Group. Arizona is a member of; the AZ National Utility Contractors Association, One call ticket resolution committee, Arizona DUNS: 141953807 2014 Gas State Program Evaluation Arizona ARIZONA CORPORATION COMMISSION, Office of Pipeline Safety, Page: 10 Emergency Response Committee Advisory Board, the Arizona and National Common Ground Alliance. Arizona participates as a sponsoring member of the AZ 811 Alliance. Arizona meets quarterly with their largest LDC, Southwest Gas Corporation quarterly to discuss possible safety issues, ongoing maintenance, operational issues and vintage pipe replacement projects or other issues relevant to the safe operation of pipelines in Arizona.

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

Evaluator Notes:



No SRCs in 2014.

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

Evaluator Notes:

Yes. Arizona has responded to all surveys and inquiries as requested from PHMSA, NAPSRS, other federal governmental agencies and other state partners.

22 If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate.(New Question for CY2013, no points until CY2015 evaluation conducted in CY2016.) 0 0
Info Only = No Points

Evaluator Notes:

None issued in 2014.

23 Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated? (New Question for CY2014, no points first year) 0 0
Info Only = No Points

Evaluator Notes:

Yes, Robert Miller is the NAPSRS Chairman in 2014 - 2015.

24 Discussion on State Program Performance Metrics found on Stakeholder Communication site ? (question will be rolled up and included as part of Question C-12 on future evaluations) <http://primis.phmsa.dot.gov/comm/states.htm> 0 0
Info Only = No Points

Evaluator Notes:

Robert Miller is very familiar with State Performance Metrics, he was on the PHMSA/NAPSRS Meaningful Metrics Committee.

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

Evaluator Notes:

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
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. Company officer - Section 5, page 1.
Compliance actions - Section 5, page 5.

- | | | | |
|---|--|--------------------------------------|--|
| 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
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 to all.

- | | | | |
|---|--|---|---|
| 3 | Did the state issue compliance actions for all probable violations discovered?
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.
Yes = 2 No = 0 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:
Yes.

- | | | | |
|---|---|---|---|
| 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)
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?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:
Yes. Only for gas operators - last fine 2008 for \$85,000 to Southwest Gas. None for liquids in past years.

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

Evaluator Notes:

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



PART E - Accident Investigations

Points(MAX) Score

- 1 Does the state have written procedures to address state actions in the event of an incident/accident? 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. Section 10 of the inspection procedures manual and the Incident Investigation training manual.

- 2 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 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. Phone number 602-252-4449 is forwarded to the on call inspector for after hour notification.

- 3 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 1 1
 Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

AZCC investigates all reportable accidents.

- 4 Were all accidents investigated, thoroughly documented, and with conclusions and recommendations? 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:

None in 2014.

- 5 Did the state initiate compliance action for violations found during any incident/accident investigation? 1 NA
 Yes = 1 No = 0

Evaluator Notes:

None in 2014.

- 6 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 1 NA
 Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

None in 2014.

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

Evaluator Notes:

Yes, Arizona participates at NAPS regional and national meetings and has provided information and lessons learned with



state partners on a regular basis. This includes providing assistance to PHMSA TQ in the establishment of an LPG inspection training seminar and class. Arizona also supports and participates in the annual Western Regional Gas Conference hosted by the Arizona Utility Group.

8 General Comments:
Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

Total points scored for this section: 6
Total possible points for this section: 6



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? 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. This item is identified on the standard inspection forms, page 2, and is also addressed during the in-house training course; major operator inspection.

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

Evaluator Notes:

Yes. This is part of the standard inspection check list, page 2, and is reviewed during the standard inspection.

- 3 Did the state encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (i.e. such as promoting/adopting the CGA Best Practices encouraging adoption of the 9 Elements, etc.) 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 that covers the Arizona Underground Facilities Law.

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

Evaluator Notes:

Yes, Arizona collects quarterly damage reports from all operators (except master meter) this information includes the number of tickets, number of damages causes of damage. This information is reviewed and evaluate. The 2014 ratio was 1.56 damages per 1000 locate requests.

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

Evaluator Notes:

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



PART G - Field Inspections

Points(MAX) Score

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

Name of Operator Inspected:
 Swissport
 Name of State Inspector(s) Observed:
 Alan Bourne
 Location of Inspection:
 Phoenix Airport and Breakout tank facility
 Date of Inspection:
 September 23-24, 2015
 Name of PHMSA Representative:
 Rex Evans

Evaluator Notes:
 A standard inspection and field verification inspection was partially completed on Swissport Fueling Co which provides jet fuel to airplanes at PHX airport. The inspection was not totally finished in time frame of my inspection, but adequate field and office activities were reviewed.

2 Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? 1 1
Yes = 1 No = 0

Evaluator Notes:
 Operator Was present - Bruce Buckmaster

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

Evaluator Notes:
 No issues, appropriate checklists were used.

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

Evaluator Notes:
 No issues of information collected and documented during time of visit

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) 1 1
Yes = 1 No = 0

Evaluator Notes:
 All equipment was ok

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

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

Evaluator Notes:
 This was an annual inspection of all items. No issues of adequate coverage during my portion of review. Procedures, records and field activities were view. Field included on airport review of facilities and review of breakout tank and storage tank facility in west Phoenix and review of right of way and various CP points and valves along this line.



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

Evaluator Notes:

No issues.

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

Evaluator Notes:

Items found were briefly reviewed during time there, but final review was not done until follow day after I left. Inspection day was cut short on Thursday due to automobile tire issues. Possible compliance issues, particularly with possible CP casing short on 10" transmission line crossing over Interstate 10 at 23rd next to railroad crossing. These were discussed and further information needed from operator to determine what past records indicate. Also compliance issue with possible CP remedial action. Asking to forward final reports, but otherwise no issues at present with items found.

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

Evaluator Notes:

See previous, not applicable at this time.

10 General Comments: 1) What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) 2) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 3) Other 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

Evaluator Notes:

General hazardous liquid field inspection

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



PART H - Interstate Agent State (if applicable)

Points(MAX) Score

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

Evaluator Notes:

Yes. Uses PHMSA's Inspection Assistant inspection form on line. Reviewed IA inspection online.

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

Evaluator Notes:

Yes.

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

Evaluator Notes:

No probable violations found in 2014.

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

Evaluator Notes:

None documented during inspections.

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

Evaluator Notes:

None found in 2014 inspections.

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

Evaluator Notes:

None found in 2014 inspections.

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

Evaluator Notes:

Total points scored for this section: 4
Total possible points for this section: 4



PART I - 60106 Agreement State (if applicable)

Points(MAX) Score

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

Evaluator Notes:

3 Were any probable violations identified by state referred to PHMSA for compliance? 1 NA
(NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.)
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? 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? 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? 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

