



# 2011 Hazardous Liquid State Program Evaluation

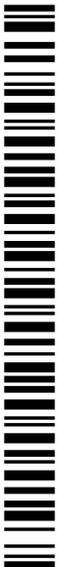
for

Washington Utilities and Transportation Commission

## 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)



2011 Hazardous Liquid State Program Evaluation -- CY 2011  
Hazardous Liquid

**State Agency:** Washington  
**Agency Status:**  
**Date of Visit:** 06/04/2012 - 06/08/2012  
**Agency Representative:** David Lykken, Director Pipeline Safety  
 Steven King, Director Safety & Consumer Protection  
 Joe Subsits, Chief Pipeline Safety Engineer  
 Marina Woodard, Administrative Assistant  
**PHMSA Representative:** Glynn Blanton, DOT/PHMSA State Programs  
**Commission Chairman to whom follow up letter is to be sent:**  
**Name/Title:** Jeffrey D. Goltz, Chairman  
**Agency:** Washington Utilities and Transportation Commission  
**Address:** 1300 South Evergreen Park Drive SW, PO Box 47250  
**City/State/Zip:** Olympia, WA 98504-7250

**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 2011 (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	10
B Program Inspection Procedures	15	15
C Program Performance	42	37
D Compliance Activities	14	14
E Accident Investigations	9	9
F Damage Prevention	8	8
G Field Inspections	12	12
H Interstate Agent State (if applicable)	7	7
I 60106 Agreement State (if applicable)	0	0
<b>TOTALS</b>	<b>117</b>	<b>112</b>
<b>State Rating</b> .....		<b>95.7</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)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

**Evaluator Notes:**

A review of 2011 WUTC Progress Report Attachment 1 and office records indicated all inspection units are correct. Totals and Information on Attachment 3 is consistent with the operator unit totals on Attachment 1. No areas of concerns were found or noted.

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

**Evaluator Notes:**

A review of the 2011 WUTC Progress Report found the number of inspection days entered for each operator type and inspection performed was correct with file records. WUTC maintains a spreadsheet entitled, WUTC 2011 work plan, showing the number of activities performed by each engineer, operator type and inspection unit.

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|----------|--|---|---|
| <b>3</b> | Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3 (A1c)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

**Evaluator Notes:**

The number of operators, 12, and inspection units, 17, on Attachment 3 match the records maintained by WUTC.

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|----------|--|---|---|
| <b>4</b> | Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 (A1d)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

**Evaluator Notes:**

Yes, a review of PHMSA's ODES database indicated the one incident reported and listed on Attachment 4 was correct. The incident occurred on Olympia Pipe Line Company on 9/19/2011. No injuries occurred and the cause of the incident was contributed to equipment failure.

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

**Evaluator Notes:**

Information on attachment 5 was verified and found to match the WUTC file records and database. No areas of concern.

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|----------|---|---|---|
| <b>6</b> | Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 (A1f, A4)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

**Evaluator Notes:**

Yes, a review of file folders indicate all inspection reports were well organized with required information.

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

**Evaluator Notes:**

Yes, a detailed review of employees listed on attachment 7 was conducted using a spreadsheet to post the date each individual completed the T&Q courses. This information was compared to the SABE training documents. Each inspector category was listed correctly and all required trained within the required time schedule has been completed.

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|----------|---|---|---|
| <b>8</b> | Verification of Part 195,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|



Evaluator Notes:

A review of PHMSA State Program rules and regulations in SharePoint for WUTC indicate the civil penalty amounts for pipeline safety regulations match the federal amounts. All federal regulations pertaining to Part 195, 198 and 199 have been adopted.

- 9 List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 (H1-3) 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, a description of WUTC's planned annual and long term goals for the pipeline safety hazardous liquid program in attachment 10 was provided. Good information on their accomplishments and how they are addressing the nine elements of an effective damage prevention program was provided.

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

Evaluator Notes:

No area of concern was found in this section of the review.

Total points scored for this section: 10  
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, WUTC Pipeline Safety Section Policy & Procedures Manual, Sections 14-16 address this item.

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

Evaluator Notes:

Yes, WUTC Pipeline Safety Section Policy & Procedures Manual, Section 23 address this item.

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

Evaluator Notes:

Yes, WUTC Pipeline Safety Section Policy & Procedures Manual, Section 17 address this item.

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

Evaluator Notes:

Yes, WUTC Pipeline Safety Section Policy & Procedures Manual, Section 31 address this item.

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

Evaluator Notes:

Yes, WUTC Pipeline Safety Section Policy & Procedures Manual, Section 27 address this item.

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

Evaluator Notes:

Yes, WUTC Pipeline Safety Section Policy & Procedures Manual, Section 21 address this item.

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

Evaluator Notes:

Yes, WUTC Pipeline Safety Section Policy & Procedures Manual, Sections 19-20 address this item.

**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, WUTC Pipeline Safety Section Policy & Procedures Manual and data base program includes each of these items. Joe Subsits has developed a risk ranking method using these items in the development of WUTC's work plan. WUTC inspects all operators on the risk ranking model or within three years from the last inspection performed.

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9 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

No areas of concerns were found or noted in this section of the review.

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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 0  
 Yes = 5 No = 0  
 A. Total Inspection Person Days (Attachment 2):  
 86.50  
 B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
 220 X 1.23 = 269.59  
 Ratio: A / B  
 86.50 / 269.59 = 0.32  
 If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0  
 Points = 0

**Evaluator Notes:**

- A. Total Inspection Person Days (Attachment 2) = 86.5  
 B. Total Inspection Person Days Charged to the program (220\*Number of Inspection person years (Attachment 7) =269.59152  
 Formula: - Ratio = A/B = 86.5/269.59152 = 0.32  
 Rule: - (If Ratio >=.38 then points = 5 else Points = 0.)  
 Thus Points = 0

A loss of 5 points occurred due to the inspection person day requirement not being met.

- 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, all individuals have met their training requirements. All lead inspectors have completed the required training prior to performing an IMP inspection. Joe Subsits, Albert Jones and Lex Vinsel have completed the root cause course.

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

**Evaluator Notes:**

Yes, David Lykken has over 12 years of experience in pipeline safety, understands the requirements in submitting a grant application and payment agreement documents. He serves on several safety and NAPSR 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, WUTC responded to the August 8, 2011 letter from Zach Barrett on August 29, 2012. WUTC Chairman Goltz addressed all the areas of concerns found during the 2010 evaluation review. The respond letter was received within the 60 day time requirement.

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

**Evaluator Notes:**



Yes, a TQ seminar was held on May 12, 2011 in Tumwater, WA. Twenty-nine participants attended representing a cross section of the HL operators in the State of Washington.

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

Evaluator Notes:

Yes, all operators are inspected in accordance with WUTC policy and work plan. They review the previous site visits and risking model in determining the time to perform their inspections. A standard inspection is the first types to be performed before other type of inspections are performed.

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|----------|---|---|---|
| <b>7</b> | 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

Yes, a review of WUTC's HL standard inspection form indicated the information matches the PHMSA federal forms. WUTC has added the commission's pipeline safety rules that are more stringent to the federal standard inspection form. A review of files indicates WUTC is completing all sections of the inspection form.

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|----------|---|---|---|
| <b>8</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) (B7)<br>Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

Yes, this is listed under WUTC Standard Inspection Report for Intrastate Hazardous Liquid System page 19, section 226. This item is also addressed in the Records Review and Field Inspection document, section 153.

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|----------|--|---|---|
| <b>9</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) (B8)<br>Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

This item is listed on WUTC Standard Report for Intrastate Hazardous Liquid Systems Procedures and Plan Review page 8, section 82. This is also addressed in WUTC Records Review and Field Inspection, page 7, item 84.

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

Evaluator Notes:

Yes, this information is available on the GIS maps system maintained by WUTC. The maps are updated yearly and reviewed by all WUTC staff members.

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|-----------|---|---|---|
| <b>11</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)? (B10,E5)<br>Yes = 1 No = 0 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

This item is listed on WUTC Standard Report for Intrastate Hazardous Liquid Systems Records Review and Field Inspection, page 4, questions 20, 24 & 32.

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|-----------|---|---|---|
| <b>12</b> | 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

Yes, this item is reviewed prior to and during their inspection audits. It is used in their risk model inspection program. Initial filing of annual report by operators is also reviewed by staff member, Marina Woodard-Research Analysis, for trends and potential operator issues.

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|-----------|---|---|---|
| <b>13</b> | 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

A review of Federal Database found all five inspection results were entered by WUTC staff members after each inspection.

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

Evaluator Notes:

Yes. Each year WUTC sends a letter to each hazardous liquid operator reminding them to submit or update information in the NPMS database website. We reviewed the letter and found the information was sent out December 16, 2010 for calendar year 2011.

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|-----------|--|---|---|
| <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, WUTC staff members check this item during their inspection visits using the federal inspection form.

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|-----------|--|---|---|
| <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, This item is checked during all inspections performed by WUTC staff using the federal form on operators.

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|-----------|--|---|---|
| <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 |
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Evaluator Notes:

Yes, WUTC Policy and Procedures Manual Section 17 address this item.

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

Evaluator Notes:

Yes, this was performed on two Hazardous Liquid operators in 2011. The operators were Conoco Phillips and Chevron Pipe Line Company.

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| <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, WUTC has a web site available to the public and operators who want to subscribe to a service to receive information on their reports, documentation and other related data at no charge. The web site also has a map viewer program that allows the individual to view the location of pipelines in the State of Washington.

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<b>20</b>	Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (B6) Yes = 1 No = 0 Needs Improvement = .5	1	NA
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Evaluator Notes:  
No safety related condition reports were filed in 2011. N/A

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<b>21</b>	Did the state participate in/respond to surveys or information requests from NAPSR or PHMSA? (H4) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:  
Yes, WUTC participated in all surveys and inquiries from PHMSA and NAPSR surveys and questionnaires in 2011.

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<b>22</b>	General Comments: Info Only = No Points	Info Only	Info Only
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Evaluator Notes:  
Question C.1  
A. Total Inspection Person Days (Attachment 2) = 86.5  
B. Total Inspection Person Days Charged to the program (220\*Number of Inspection person years (Attachment 7) = 269.59152  
Formula: - Ratio = A/B = 86.5/269.59152 = 0.32  
Rule: - (If Ratio >=.38 then points = 5 else Points = 0.)  
Thus Points = 0  
A loss of 5 points occurred due to the inspection person day requirement not being met.

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Total points scored for this section: 37  
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) 4 4  
 Yes = 4 No = 0 Needs Improvement = 1-3
- a. Procedures to notify an operator (company officer) when a noncompliance is identified Yes  No  Needs Improvement
- b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns Yes  No  Needs Improvement

Evaluator Notes:

Yes, Sections 15, 16 & 25 of WUTC Policy and Procedure Manual address this item.

- 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) 4 4  
 Yes = 4 No = 0 Needs Improvement = 1-3
- a. Were compliance actions sent to company officer or manager/board director if municipal/government system? Yes  No  Needs Improvement

Evaluator Notes:

Yes. A review of 2011 inspection reports located in the conference room indicated all correspondence is being sent to the company officers or board members. WUTC maintains and annually updates a spreadsheet of company officers who receive the probable violations and inspection reports. The spreadsheet is updated each year. All WUTC engineers are responsible for reviewing and updating the list prior to perform an inspection visit.

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

Evaluator Notes:

Yes. A review of WUTC files was performed. We pulled individual inspection reports performed in 2011 and checked each inspection form. Where a violation was cited, we reviewed the response letter from the operator and other information until the violation was closed. All reports indicate compliance action was taken in accordance with WUTC policies and procedures.

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

Evaluator Notes:

Yes, WAC rule number 480-07 addressed this item. This item is mentioned in WUTC Safety and Division Compliance and Enforcement Manual section 34.

- 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) 2 2  
 Yes = 2 No = 0

Evaluator Notes:

Yes. Program Manager is familiar with using state process for imposing civil penalties. In 2011, a civil penalty was issued against Cascade Natural Gas Corporation in the amount of \$425,000.

- 6** Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations? (new question) Info Only Info Only  
 Info Only = No Points

Evaluator Notes:

Yes. The civil penalty and enforcement action taken against Cascade Natural Gas Corporation is a good example.

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

Evaluator Notes:



No areas of concerns were found or noted in this section of the review.

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



**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, this item is listed in WUTC Policy and Procedure Manual, Procedure 10. Information on the MOU is listed in Section 19.

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

**Evaluator Notes:**

Yes, reviewed the one incident reported on Attachment 4, Olympia Pipe Line. WUTC conducted an investigation and determined the cause of the leakage. WUTC maintains a log book of all reportable incidents to their agency. If a reportable incident indicates an investigation needs to be performed, a docket and inspection identification number is assigned in their data base.

**3** Were all accidents investigated, thoroughly documented, and with conclusions and recommendations? (D5) **3 3**  
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:**

Yes. A review of the Olympia Pipe Line incident indicated a thorough review was performed by WUTC inspector Lex Vensel.

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

**Evaluator Notes:**

No compliance action was taken on Olympia Pipe Line due to the operator being an interstate operator.

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

**Evaluator Notes:**

Yes, WUTC responds to PHMS Western Region office in a timely manner when requested and provides information on annual and final reports submitted by the operators under their jurisdiction.

**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:**

WUTC provides information on incidents and accidents in their legislative fact sheet to the Senate and House members. This information is also provided at regional meetings with the hazardous liquid operators.



7 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

No areas of concern were found or noted in this section of the review.

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



# PART F - Damage Prevention

Points(MAX) Score

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|----------|--|---|---|
| <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? (E1)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

Yes, a review of WUTC Standard Inspection Report for Intrastate Hazardous Liquid Systems, Procedures and Plan Review, page 16, section 212 includes this item.

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

Evaluator Notes:

Yes, a review of WUTC Standard Inspection Report for Intrastate Hazardous Liquid Systems, Records Review and Field Inspection form, page 10, sections 122-130 address this item.

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

Evaluator Notes:

Yes, WUTC held six Underground Utility Damage Prevention Training Seminars in 2011. The number of participants was 373 individuals representing contractors and underground facility operators. The training seminars provided updates on Washington State's Damage Prevention law that becomes effective January, 2013, best practices in underground damage prevention, how to call for a locate request and reporting requirements on damages that occurred on underground facilities.

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- |          |  |   |   |
|----------|--|---|---|
| <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? (This can include DIRT and other data shared and reviewed by the pipeline safety program) (E4,G5)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

Yes. WUTC monitors and collects data on pipeline damages via the State Damage Prevention Statistics Mandatory Reporting form. This form is required to be completed and submitted to WUTC by pipeline operators. WUTC uses the data on damages to pipelines in their risk rating of inspection program. In January, 2013, the new damage prevention law will require all underground operators and excavators to report all damages via the Virtual Dirt Program to WUTC.

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- |          |  |           |           |
|----------|--|-----------|-----------|
| <b>5</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:

No areas of concern in the review of this section.

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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

- |          |   |           |           |
|----------|---|-----------|-----------|
| <b>1</b> | Operator, Inspector, Location, Date and PHMSA Representative<br>Info Only = No Points<br>Name of Operator Inspected:<br>Olympic Pipe Line Company Laterals - Intrastate<br>Name of State Inspector(s) Observed:<br>Kuang Chu, Pipeline Safety Industry Expert<br>Location of Inspection:<br>Renton, WA<br>Date of Inspection:<br>June 18-20, 2012<br>Name of PHMSA Representative:<br>Glynn Blanton, State Evaluator PHMSA State Programs | Info Only | Info Only |
|----------|---|-----------|-----------|

**Evaluator Notes:**

The inspection office records review meeting was conducted in Olympia Pipe Line Company office space in Renton, WA. The following operator representatives participated in the review: Jim Bruen, DOT Advisor, Jim Fraley, Planner/Scheduler, Kelli Gustaf, Environmental Coordinator, Sandy Canlan, Control Room Operations Team Leader, Jeff Berry, Core Team Leader-South Area, Kec Carlton, Core Team Leader-Central Area, Nick Kitzmiller, Corrosion Specialist, Kurt Hayashid, Engineer Team Leader, Joe Fraley, Training Coordinator and Rose Ann Lopez, Area Operations Manager.

- |          |   |   |   |
|----------|---|---|---|
| <b>2</b> | Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (F2)<br>Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

**Evaluator Notes:**

Yes, Olympia Pipe Line Company was notified by WUTC representative Kuang Chu on February 2, 2012 about this scheduled standard inspection review. The company representative Jim Bren, DOT Advisor, agreed to be present with other representatives during the inspection.

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

**Evaluator Notes:**

Yes, Kuang Chu used WUTC Form G1, entitled "Standard Inspection Report for Intrastate Hazardous Liquid Systems" to perform the inspection. Mr. Chu used the form as a guide to record the inspection items under review and documented all responses from Jim Fraley and other Olympia Pipe Line Company representatives into the form.

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

**Evaluator Notes:**

Yes, Mr. Kuang Chu was very thorough in entering information in the inspection form about the operator's updates to their company's operation and maintenance manual and meeting the safety rules and regulations.

- |          |  |   |   |
|----------|--|---|---|
| <b>5</b> | 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)<br>Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

**Evaluator Notes:**

Yes, Kuang Chu reviewed and checked Olympia Pipe Line Company updated operation and maintenance manuals and emergency response documentation that was available electronically and in a paper format.

- |          |   |                                     |   |
|----------|---|-------------------------------------|---|
| <b>6</b> | Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) (F7)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2                                   | 2 |
|          | a. Procedures   | <input checked="" type="checkbox"/> |   |
|          | b. Records  | <input checked="" type="checkbox"/> |   |



- c. Field Activities
- d. Other (please comment)

Evaluator Notes:

This was a office review of all operation and maintenance records. Yes, Kuang Chu entered the response to each question asked of Olympia Pipe Line representative into WUTC inspection form. In areas of concern, additional information or records were provided by the operator to answer the question.

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

Evaluator Notes:

Yes, Kuang Chu has an excellent understanding and knowledge of the hazardous liquid regulations. In this regard, Kuang explained in detail and referred to the WUTC rules and federal pipeline safety regulations when additional clarification was need to the operator. This observer did not note any errors in interpretation and summary of rules and regulations.

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

Evaluator Notes:

Yes, at the end of each day Kuang Chu reviewed areas of concern and probable violations with Olympia Pipe Line Company representative Jim Bruen, DOT Advisor. He often referred to WUTC or the federal pipeline safety regulations in describing the non-compliance item and provided the regulation section number.

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

Evaluator Notes:

Yes, at the end of each day Kuang Chu reviewed areas of concern and probable violations with Olympia Pipe Line Company representative Jim Bruen, DOT Advisor.

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

- a. Abandonment
- 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:

Due to weather conditions and scheduling of the standard inspection, no field inspection was performed or observed on Monday and Tuesday. A review of the company's control room was conducted and found to be in compliance with safety rules and regulations. The field portion of the inspection was re-scheduled for Wednesday thru Friday.

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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, they are using the Federal Inspection form on all inspections performed on interstate operators. A review of files for the operators listed below found the information on the forms were complete. Files reviewed: BP Pipeline North America, Chevron Pipe Line Company, Conoco Phillips, Exxon Mobil Corporation, McChord Pipeline Company, NuStar Pipeline Operating Partnership, Olympia Pipe Lind Company, Swissport Fueling Inc., Tidewater Inc., and Trans Mountain Pipeline (Puget Sound) LLC.

**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:**

A review of the interstate operator inspection files and the interstate agreement with the Western Region Director Chris Hoidal, dated April 26, 2011, found WUTC complied with the agreement in accordance with "PHMSA directed inspection plan" policy. No issues were found.

**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, a review of the files found inspection reports were filed with PHMSA Western Region 30 days after the inspection was performed and before the 60 day time schedule.

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

**Evaluator Notes:**

Yes, one operator was cited for non-compliance in 2011. The name of the operator was Kinder Morgan. Violation cited was 195.424.

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

**Evaluator Notes:**

Yes, a review of file folders and information from PHMSA Western Region office indicate this was performed.

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

**Evaluator Notes:**

Yes, a review of file folders and inspection reports found all probable violations were submitted within the 60 day time schedule.

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

**Evaluator Notes:**

Yes, WUTC has provided supportive compliance information when requested by PHMA Western Region office.

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



Evaluator Notes:

No areas of concern in the review of this section.

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



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

**Points(MAX) Score**

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

Evaluator Notes:  
WUTC does not have a 60106 agreement with PHMSA.

**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:  
WUTC does not have a 60106 agreement with PHMSA.

**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:  
WUTC does not have a 60106 agreement with PHMSA.

**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:  
WUTC does not have a 60106 agreement with PHMSA.

**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:  
WUTC does not have a 60106 agreement with PHMSA.

**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:  
WUTC does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:  
WUTC does not have a 60106 agreement with PHMSA.

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

