



Pipeline Safety Inspection Findings

June 12, 13 2018

Inspection Activities

Intrastate Inspections

- These inspections require Arizona pipeline staff to schedule with pipeline operations in Arizona to conduct annual reviews of:
 - Operations & Maintenance Manuals
 - Integrity Management Plans
 - Operator Qualifications Plans
 - Emergency Plans
 - Public Awareness Programs
 - Field Inspections
 - Construction Inspections
 - Drug and Alcohol Program

Inspection Activities

Interstate Major Inspections

- These inspections require Arizona pipeline staff participation in all joint federal inspections that are scheduled for operators with pipeline operations in Arizona and may include inspection reviews of:
 - Operations & Maintenance Manuals
 - Integrity Management Plans
 - Operator Qualifications Plans

Inspection Activities

In the event of an incident on a Intrastate pipeline, Arizona Pipeline Safety inspectors will be responsible for conducting the investigation to determine the root cause of the incident.

In the event of an incident on a Interstate pipeline, Arizona Pipeline Safety inspectors may represent/Assist PHMSA and/or NTSB for conducting the investigation to determine the root cause of the incident.

Master Meter Inspections

- Master metered facilities are classified into two priorities for inspections.
 - All priority 1 facilities are inspected on an annual basis.
 - 50% of priority 2 facilities are inspected every year.
 - On average Pipeline staff conduct 650 annual master meter inspections every year

Damage Prevention Mission

To enforce the Arizona Underground Facilities Law and to provide training to facility owners and excavators in an attempt to reduce damage to underground facilities and to eliminate personal injuries and deaths associated with underground facilities.

Damage Prevention Statistics 2016

- **Total # of locate requests**
 - Called In: 593,998 (13.8% increase from 2017)
 - Dispatched ; 3,830,057 (14.9% increase from 2017)

- **Total # reported to Pipeline Safety** **635**
 - Number of pipeline damages **717**

- **Number of violations issued** **83**

- **Amount of penalties** **\$40,000.00**

Damage Prevention Statistics

2016

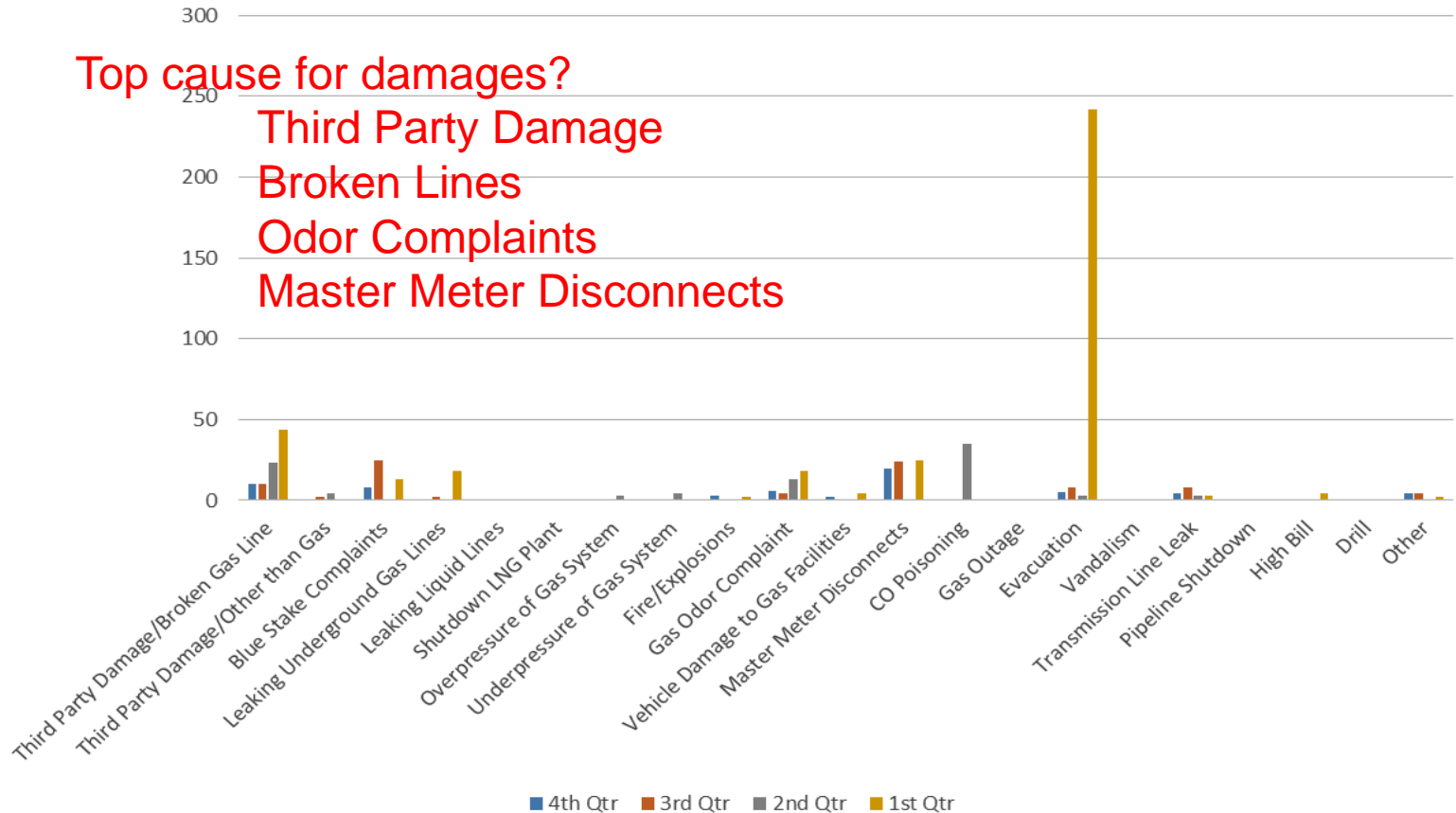
Top cause for damages?

Third Party Damage

Broken Lines

Odor Complaints

Master Meter Disconnects



of Master Meters out of Compliance

- Current Master Meters listed
 - 987 Currently in Pipeline Database
- Current Master Meters out of compliance
 - $\pm 97.8\%$ With the exception of 2017 new Master Meters
- Master Meters tested at State and Federal Guidelines
 - ± 23 have established MAOP pressure test

of Master Meters Out of service

- There have been 77 Master Meters Shut down since September 1, 2017 to March 1, 2018

TOTAL Open Violations

Between 1/1/2017 AND 3/1/2018 (Inclusive)		
ViolationTypeID	ViolationType	CountOfID
1	1 - Has a written operation and maintenance plan been established meeting the requirements of the regulations and review records maintained?	112
2	2 - Has a written emergency plan been established and does operating personnel have knowledge of emergency procedures and are records maintained?	59
3	3 - Has a map of the gas system been developed showing meter and valve locations, mains, and service lines?	95
4	4 - Are operation and maintenance personnel qualified and are OQ records maintained?	124
5	5 - Has all above ground pipe been maintained?	142
6	6 - Has cathodic protection been tested at proper intervals and records maintained? Does it meet the negative voltage of at least 0.85 volt?	160
7	7 - Have required valves been checked and serviced at intervals not exceeding 15 months but at least once each calendar year and records maintained?	158
8	8 - Have periodic odorization checks been conducted and records maintained?	188
9	9 - Has a leak survey of the system been conducted at intervals not exceeding 15 months but at least once each calendar year and records maintained?	45
10	10 - Has operator filed annual report?	1170
TOTAL		

Risk Ranking

- Areas of concern
 - Shelters
 - Hospitals/Medical Centers/Clinics
 - Schools
- Obsolescence
- Systems with;
 - PVC Plastic (can remain in service but repairs cannot be PVC)
 - Bare Steel
 - Aldyl-A Plastic (Known issues)

RISK RANKING

- Care Center
- Church, Camp, Retreat, School
- Clinic
- Day Care
- Doctor Office
- Dormitory
- Healthcare Center
- Homeless Shelter
- Housing Project
- Prisons
- Public Housing
- Rehab Housing, Campus
- Research Center
- School
- Retirement Community, Center, Facility, Home
- Shelter
- Women's Shelter

Penalty Vs. Shut down

- Added tools to provide for enforcement
- Streamline Inspection process
- Encourage compliance
- Reduce State resources on compliance follow-ups
- If operator still doesn't comply shut-down will be final step

A.R.S. 40 - 442

40-442. Civil penalty for violation; deduction; other remedies

- A. Any person, firm or corporation that violates any provision of this article or any rule or order adopted pursuant to this article pertaining to the safety of the transportation of gas and hazardous liquids and pipeline facilities shall be subject to a civil penalty of not to exceed two hundred thousand dollars for each violation with each day constituting a separate violation. The maximum civil penalty shall not exceed two million dollars for any related series of violations.
- B. Any civil penalty pertaining to gas and hazardous liquid pipeline safety may be compromised by the commission. In determining the amount of the penalty, or the amount agreed upon in compromise, the appropriateness of the penalty to the size of the business of the person, firm or corporation charged, the gravity of the violation and the good faith of the person, firm or corporation charged in attempting to achieve compliance, after notification of a violation, shall be considered. The amount of the penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the state to the person, firm or corporation charged or may be recovered in a civil action in the superior court of this state.
- C. All monies collected from civil penalties assessed pursuant to this article and any fines collected by the commission in enforcing this article and rules relating to pipeline safety shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.
- D. The commission may avail itself of any other authority or remedies available under the Constitution of Arizona and this chapter to effect the purpose of this article, including the provisions of article 9 of this chapter. END_STATUTE