



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

1200 New Jersey Avenue SE
Washington DC 20590

2019 Hazardous Liquid State Program Evaluation

for

Minnesota Office of Pipeline Safety

Document Legend

PART:

- O -- Representative, Dates and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- State Qualifications
- D -- Program Performance
- E -- Field Inspections
- F -- Damage prevention and Annual report analysis
- G -- Interstate Agent/Agreement States



2019 Hazardous Liquid State Program Evaluation -- CY 2019
Hazardous Liquid

State Agency: Minnesota

Agency Status:

Date of Visit: 08/26/2020 - 10/01/2020

Agency Representative: Jon Wolfgram, Program Manager

PHMSA Representative: Rex Evans

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

Name/Title: John Harrington, Commissioner

Agency: Minnesota Department of Public Safety

Address: 445 Minnesota Street, Suite 1000

City/State/Zip: St. Paul, MN 55101

Rating:

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

INSTRUCTIONS:

Complete this evaluation in accordance with the Evaluator Guidance for conducting state pipeline safety program evaluations. The evaluation should generally reflect state program performance during CY 2019 (not the status of performance at the time of the evaluation). 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 appropriate notes/comments section. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and they OBJECTIVELY reflect the state's program performance for the question being evaluated. Increasing emphasis is being placed on how the state pipeline safety programs conduct and execute their pipeline safety responsibilities (their 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.

Scoring Summary

PARTS

Possible Points Points Scored

A Progress Report and Program Documentation Review
B Program Inspection Procedures
C State Qualifications
D Program Performance
E Field Inspections
F Damage prevention and Annual report analysis
G Interstate Agent/Agreement States

0
15
10
50
15
4
0

0
15
10
50
15
4
0

TOTALS

94 94

State Rating

100.0

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

1 Were the following Progress Report Items accurate?

Info Only Info Only

Info Only = No Points

- a. Stats On Operators Data - Progress Report Attachment 1
- b. State Inspection Activity Data - Progress Report Attachment 2
- c. List of Operators Data - Progress Report Attachment 3*
- d. Incidents/Accidents Data - Progress Report Attachment 4*
- e. Stats of Compliance Actions Data - Progress Report Attachment 5*
- f. List of Records Kept Data - Progress Report Attachment 6 *
- g. Staff and TQ Training Data - Progress Report Attachment 7
- h. Compliance with Federal Regulations Data - Progress Report Attachment 8
- i. Performance and Damage Prevention Question Data - Progress Report Attachment 10*

Evaluator Notes:

- a. through i. All relevant information was reviewed during record review and information appears to be accurate. No issues.

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



PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|---|--|---|---|
| 1 | Do written procedures address pre-inspection, inspection and post inspection activities for each of the following inspection types: Chapter 5.1
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
| | <ul style="list-style-type: none">a. Standard Inspections, which include Drug/Alcohol, CRM and Public Awareness Effectiveness Inspectionsb. IMP Inspections (reviewing largest operator(s) plans annually)c. OQ Inspectionsd. Damage Prevention Inspectionse. On-Site Operator Trainingf. Construction Inspections (annual efforts) | | |

Evaluator Notes:

a-g. All areas are covered in Section 5 (primarily 5.2) of program procedures. No issues found.

- | | | | |
|---|---|---|---|
| 2 | Do written procedures address inspection priorities of each operator, and if necessary each unit, based on the following elements and time frames established in its procedures? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| | <ul style="list-style-type: none">a. Length of time since last inspectionb. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)c. Type of activity being undertaken by operators (i.e. construction)d. Locations of operator's inspection units being inspected - (HCA's, Geographic area, Population Centers, etc.)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)f. Are inspection units broken down appropriately? | | |

Evaluator Notes:

Section 12.1 Inspection Planning covers these areas. Also no issues with unit breakdown. No issues.

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|---|---|---|---|
| 3 | (Compliance Procedures) 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 = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
| | <ul style="list-style-type: none">a. Procedures to notify an operator (company officer) when a noncompliance is identifiedb. Procedures to routinely review progress of compliance actions to prevent delays or breakdownsc. Procedures regarding closing outstanding probable violations | | |

Evaluator Notes:

Section 5.3 of program procedures adequately cover this. No issues.

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|---|--|---|---|
| 4 | (Incident/Accident Investigations) Does the state have written procedures to address state actions in the event of an incident/accident?
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
| | <ul style="list-style-type: none">a. Mechanism to receive, record, and respond to operator reports of incidents, including after-hours reportsb. If onsite investigation was not made, do procedures require on-call staff to obtain sufficient information to determine the facts to support the decision not to go on-site. | | |

Evaluator Notes:

Section 6 of program procedures cover this area. All elements are covered and find no issues.

5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No issues.

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



PART C - State Qualifications

Points(MAX) Score

- | | | | |
|---|--|---|---|
| 1 | Has each inspector and program manager fulfilled training requirements? (See Guidelines Appendix C for requirements) Chapter 4.4
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
| | <ul style="list-style-type: none">a. Completion of Required OQ Training before conducting inspection as leadb. Completion of Required IMP Training before conducting inspection as leadc. Root Cause Training by at least one inspector/program managerd. Note any outside training completede. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector (Reference State Guidelines Section 4.3.1) | | |

Evaluator Notes:

All areas of training appear to be adequately met. No issues.

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|---|--|---|---|
| 2 | Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
|---|--|---|---|

Evaluator Notes:

No issues.

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| 3 | General Comments:
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

No program issues with training.

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



PART D - Program Performance

Points(MAX) Score

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|---|--|---|---|
| 1 | Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
| | <ul style="list-style-type: none">a. Standard (General Code Compliance)b. Public Awareness Effectiveness Reviewsc. Drug and Alcohold. Control Room Managemente. Construction (did state achieve 20% of total inspection person-days?)f. OQ (see Question 3 for additional requirements)g. IMP (see Question 4 for additional requirements) | | |

Evaluator Notes:

Reviewed inspection summary and operator inspections were validated in IA and salesforce database. Intervals appear met. No issues.

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|---|---|----|----|
| 2 | 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. Do inspection records indicate that adequate reviews of procedures, records and field activities, including notes and the appropriate level of inspection person-days for each inspection, were performed?
Yes = 10 No = 0 Needs Improvement = 1-9 | 10 | 10 |
| | <ul style="list-style-type: none">a. Standard (General Code Compliance)b. Public Awareness Effectiveness Reviewsc. Drug and Alcohold. Control Room Managemente. Constructionf. OQ (see Question 3 for additional requirements)g. IMP (see Question 4 for additional requirements) | | |

Evaluator Notes:

The state documents inspections in both Inspection Assistant (IA) and the state database (Salesforce). All areas of this question appear adequately covered and no issues found.

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| 3 | 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 established in the operator's plan. 49 CFR 192 Part N
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Through random review it appears all OQ programs are up to date and field OQ inspections are documented. 5 year interval on plans and no issues found.

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| 4 | Is state verifying operator's integrity management Programs (IMP)? This should include a review of plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operator's plan(s). 49 CFR 192 Subpart P
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
| | <ul style="list-style-type: none">a. Are the state's largest operator(s) plans being reviewed annually? | | |

Evaluator Notes:

Yes, plan reviews appear up to date. The state reaches out regularly and involved in various system IMP progress. No issues found.

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| 5 | Did the state review the following (these items are NTSB recommendations to PHMSA that have been deemed acceptable response based on PHMSA reviewing these items during the evaluation process): Chapter 5.1
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

- a. Operator records of previous accidents and failures including reported third-party damage and leak response to ensure appropriate operator response as required by 192.617; and
- b. 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;

Evaluator Notes:

These are part of various checklists that employees complete during inspections. No issues found.

6	Did the State verify Operators took appropriate action regarding advisory bulletins issued since the last evaluation? (Advisory Bulletins Current Year) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

No issues.

7	(Compliance Activities) 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 = 10 No = 0 Needs Improvement = 1-9	10	10
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- a. Were compliance actions sent to company officer or manager/board member if municipal/government system?
- b. Were probable violations documented properly?
- c. Resolve probable violations
- d. Routinely review progress of probable violations
- e. Did state issue compliance actions for all probable violations discovered?
- f. Can state demonstrate fining authority for pipeline safety violations?
- g. Does Program Manager review, approve and monitor all compliance actions? (note: Program Manager or Senior Official should sign any NOPV or related enforcement action)
- h. Did state compliance actions give reasonable due process to all parties? Including "show cause" hearing, if necessary.
- i. Within 30 days, conduct a post-inspection briefing with the owner or operator outlining any concerns
- j. Within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection. (Incident investigations do not need to meet 30/90-day requirement)

Evaluator Notes:

All elements of this question are documented in inspection reports along with follow-up with appropriate tracking of information. All the data for each incident is housed in salesforce database and IA. No issues found.

8	(Incident Investigations) Were all incidents investigated, thoroughly documented, with conclusions and recommendations? Yes = 10 No = 0 Needs Improvement = 1-9	10	10
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- a. Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports?
- b. Did state keep adequate records of Incident/Accident notifications received?
- c. If onsite investigation was not made, did the state obtain sufficient information from the operator and/or by means to determine the facts to support the decision not to go on site?
- d. Were onsite observations documented?
- e. Were contributing factors documented?
- f. Were recommendations to prevent recurrences, where appropriate, documented?
- g. Did state initiate compliance action for any violations found during any incident/accident investigation?
- h. Did state assist Region Office or Accident Investigation Division (AID) by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA?

- i. Does state share any lessons learned from incidents/accidents?

Evaluator Notes:

After record review it was found accidents are appropriately investigated and documented. The necessary follow up and closure has occurred. No issues.

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| 9 | 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
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

There were no issues in last evaluation.

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| 10 | Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

The annual seminar was virtual this past April. No issues.

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| 11 | Has state confirmed transmission operators have submitted information into NPMS database along with changes made after original submission?
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

Part of checklist. No issues.

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| 12 | 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).
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Like gas program, mailers and various communication does occur in addition to the agency website. No issues.

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| 13 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

One SRC on Enterprise Products propane line. No issues found.

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| 14 | Was the State responsive to:
Yes = 1 No = 0 Needs Improvement = .5
a. Surveys or information requests from NAPS or PHMSA;
b. Operator IM notifications; and
c. PHMSA Work Management system tasks? | 1 | 1 |
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Evaluator Notes:

No issues.

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| 15 | 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.
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

No HL waivers

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| 16 | Were pipeline program files well-organized and accessible? | Info Only | Info Only |
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Info Only = No Points

Evaluator Notes:

Yes, between IA and salesforce database that we were given access, no issues.

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| 17 | Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT). Has the state updated SICT data?
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
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Evaluator Notes:

Discussed SICT. 2021 data is entered and there are no issues.

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| 18 | Discussion on State Program Performance Metrics found on Stakeholder Communication site.\ http://primis.phmsa.dot.gov/comm/states.htm?nocache=4805
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

we had discussion on metrics, no issues at this time.

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| 19 | Did the state encourage and promote operator implementation of Pipeline Safety Management Systems (PSMS), or API RP 1173? This holistic approach to improving pipeline safety includes the identification, prevention and remediation of safety hazards.
Info Only = No Points
a. https://pipelinesms.org/
b. Reference AGA recommendation to members May 20, 2019 | Info Only | Info Only |
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Evaluator Notes:

General discussion on SMS. No issues.

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| 20 | General Comments:
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

No issues.

Total points scored for this section: 50
Total possible points for this section: 50



PART E - Field Inspections

Points(MAX) Score

- 1 Operator, Inspector, Location, Date and PHMSA Representative (enter specifics into the comments box below) Info Only Info Only
Info Only = No Points
- What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc)
 - When was the unit inspected last?
 - Was pipeline operator or representative present during inspection?
 - Effort should be made to observe newest state inspector with least experience

Evaluator Notes:

Due to Covid 19 - Field portion waived

- 2 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:

Due to Covid 19 - Field portion waived

- 3 Did the inspector adequately review the following during the inspection 10 10
Yes = 10 No = 0 Needs Improvement = 1-9
- Procedures (were the inspector's questions of the operator adequate to determine compliance?)
 - Records (did the inspector adequately review trends and ask in-depth questions?)
 - Field Activities/Facilities (did inspector ensure that procedures were being followed, including ensuring that properly calibrated equipment was used and OQ's were acceptable?)
 - Other (please comment)
 - Was the inspection of adequate length to properly perform the inspection?

Evaluator Notes:

Due to Covid 19 - Field portion waived

- 4 From your observation 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:

Due to Covid 19 - Field portion waived

- 5 Did the inspector conduct an exit interview, including identifying probable violations? (If inspection is not totally completed the interview should be based on areas covered during time of field evaluation) 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Due to Covid 19 - Field portion waived

- 6 Was inspection performed in a safe, positive, and constructive manner ? Info Only Info Only
Info Only = No Points
- No unsafe acts should be performed during inspection by the state inspector
 - 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

Evaluator Notes:

Due to Covid 19 - Field portion waived

7 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

Due to Covid 19 - Field portion waived. Largely based on no issues with past performance allowing time to be spent on Gas program.

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



PART F - Damage prevention and Annual report analysis**Points(MAX) Score**

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|---|--|---|---|
| 1 | 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:

Annual reports are reviewed and documented on inspection database with each operator.

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| 2 | Has the state verified that the operators analyze excavation damages for the purpose of determining root causes and minimizing the possibility of a recurrence? (? 192.617)
Has the state verified that the operators have appropriately identified excavators who have repeatedly violated one-call laws and damaged their facilities. Have the operators taken steps to mitigate that risks? (? 192.1007)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | NA |
|---|--|---|----|

Evaluator Notes:

New question, no points this year

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|---|---|---|----|
| 3 | Has the state reviewed the operator's annual report pertaining to Part D ? Excavation Damage?
Yes = 4 No = 0 Needs Improvement = 1-3 <ol style="list-style-type: none">a. Is the information complete and accurate with root cause numbers?b. Has the state evaluated the causes for the damages listed under "One-Call Notification Practices Not Sufficient" (Part D.1.a.)?c. Has the state evaluated the causes for the damages listed under "Locating Practices Not Sufficient" (Part D.1.b)? For each operator, does the state review the following?d. Is the operator or its locating contractor(s) qualified and following written procedures for locating and marking facilities?e. Is the operator appropriately requalifying locators to address performance deficiencies?f. What is the number of damages resulting from mismarks?g. What is the number of damages resulting from not locating within time requirements (no-shows)?h. Is the operator appropriately addressing discovered mapping errors resulting in excavation damages?i. Are mapping corrections timely and according to written procedures?j. Has the state evaluated the causes for the damages listed under "Excavation Practices Not Sufficient" (Part D.1.c.)? | 4 | NA |
|---|---|---|----|

Evaluator Notes:

New question, no points this year

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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?
Yes = 2 No = 0 Needs Improvement = 1 <ol style="list-style-type: none">a. What stakeholder group is causing the highest number of damages to the pipelines? Operator, contractor, locating company or public.b. Has the state verified the operator is appropriately focusing damage prevention education and training to stakeholders causing the most damages?c. Has the state evaluated which of the following best describes the reason for the excavation damages; i.e., operator or contractor not following written procedures, failure to maintain marks, failure to support exposed facilities, failure to use hand tools were required, failure to test-hole (pot hole), improper backfilling practices, failure to maintain clearance or insufficient excavation practices.d. Has the state verified the operator is appropriately focusing damage prevention education and training to address the causes of excavation damages? | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

As noted in gas evaluation. They conduct operator specific evaluations on damage prevention. State is appropriately focusing on these activities. Found no issues.

5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No issues.

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



PART G - Interstate Agent/Agreement States

Points(MAX) Score

- 1 Were all inspections of interstate pipelines conducted using the Inspection Assistant program for documenting inspections. Info Only Info Only
Info Only = No Points

Evaluator Notes:

No issues

- 2 If inspections were conducted independent of a PHMSA team inspection was notice of all identified probable violations provided to PHMSA within 60 days. Info Only Info Only
Info Only = No Points

Evaluator Notes:

No issues

- 3 If inspections were conducted independent of a PHMSA team inspection was PHMSA immediately notified of conditions which may pose an immediate safety hazard to the public or environment? Info Only Info Only
Info Only = No Points

Evaluator Notes:

No issues

- 4 If inspections were conducted independent of a PHMSA team inspection did the state coordinate with PHMSA if inspections not were not included in the PHMSA Inspection Work Plan? Info Only Info Only
Info Only = No Points

Evaluator Notes:

No issues

- 5 Did the state take direction from and cooperate with PHMSA for all incident investigations conducted on interstate pipelines? Info Only Info Only
Info Only = No Points

Evaluator Notes:

No issues

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

Evaluator Notes:

No issues - per correspondence with Hans Shieh in Central Region

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