



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

1200 New Jersey Avenue SE  
Washington DC 20590

# 2019 Gas State Program Evaluation

for

S. D. PUBLIC UTILITIES COMMISSION

## 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 Gas State Program Evaluation -- CY 2019

Gas

**State Agency:** South Dakota

**Agency Status:**

**Date of Visit:** 08/17/2020 - 08/21/2020

**Agency Representative:** Mary Zanter, Pipeline Safety Program Manager, South Dakota Public Utilities Commission

**PHMSA Representative:** David Appelbaum, State Evaluator, PHP-50

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

**Name/Title:** Mr. Gary Hanson, Chairman

**Agency:** South Dakota Public Utilities Commission

**Address:** 500 E. Capitol Avenue

**City/State/Zip:** Pierre, South Dakota 57501-5070

**Rating:**

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

## 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:

South Dakota had no reportable incidents in 2019.

State has not yet adopted Plastic Piping Rule (83 FR 58694) but has two year to do so. State will request adoption in 2021.

All Progress Report attachments appear accurate and complete.

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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<br>Yes = 5 No = 0 Needs Improvement = 1-4   | 5 | 5 |
|   | <ul style="list-style-type: none"><li>a. Standard Inspections, which include Drug/Alcohol, CRM and Public Awareness Effectiveness Inspections</li><li>b. TIMP and DIMP Inspections (reviewing largest operator(s) plans annually)</li><li>c. OQ Inspections</li><li>d. Damage Prevention Inspections</li><li>e. On-Site Operator Training</li><li>f. Construction Inspections (annual efforts)</li><li>g. LNG Inspections</li></ul> |   |   |

Evaluator Notes:

Yes. Procedures contain all the requisite elements to satisfy this question.

- |   |   |   |   |
|---|---|---|---|
| 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<br>Yes = 4 No = 0 Needs Improvement = 1-3  | 4 | 4 |
|   | <ul style="list-style-type: none"><li>a. Length of time since last inspection</li><li>b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)</li><li>c. Type of activity being undertaken by operators (i.e. construction)</li><li>d. Locations of operator's inspection units being inspected - (HCA's, Geographic area, Population Centers, etc.)</li><li>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)</li><li>f. Are inspection units broken down appropriately?</li></ul> |   |   |

Evaluator Notes:

Yes. Procedures contain all the requisite elements to satisfy this question. Regarding B.2.a. State actually visits each operator every year.

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

Evaluator Notes:

Yes. Procedures contain all the requisite elements to satisfy this question.

- |   |  |   |   |
|---|--|---|---|
| 4 | (Incident/Accident Investigations) Does the state have written procedures to address state actions in the event of an incident/accident?<br>Yes = 3 No = 0 Needs Improvement = 1-2   | 3 | 3 |
|   | <ul style="list-style-type: none"><li>a. Mechanism to receive, record, and respond to operator reports of incidents, including after-hours reports</li><li>b. 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.</li></ul> |   |   |

Evaluator Notes:

Yes, See Section 7., 'Incident Investigation' in the Inspection Compliance Program manual. PHMSA recommended SDPUC enhance this procedure to better describe the process for receiving calls. Further enhancements were made shortly after the time of discussion.

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**5** General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

SDPUC has generally met the requirements of Part B.

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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<br>Yes = 5 No = 0 Needs Improvement = 1-4  | 5 | 5 |
|   | <ul style="list-style-type: none"><li>a. Completion of Required OQ Training before conducting inspection as lead</li><li>b. Completion of Required DIMP/IMP Training before conducting inspection as lead</li><li>c. Completion of Required LNG Training before conducting inspection as lead</li><li>d. Root Cause Training by at least one inspector/program manager</li><li>e. Note any outside training completed</li><li>f. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector (Reference State Guidelines Section 4.3.1)</li></ul> |   |   |

Evaluator Notes:

The SDPUC inspector and program manager have both fulfilled the TQ Training Requirements. Outside training includes basic principles and practices for handling propane.

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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<br>Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
|---|--|---|---|

Evaluator Notes:

Yes, Mary Zanter has been the Program Manager for several years and has completed all required TQ courses, has field experience and knows the PHMSA program regulations. She is considered a SME with DIMP.

- |   |  |           |           |
|---|--|-----------|-----------|
| 3 | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|

Evaluator Notes:

Program had no need to respond.

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



## PART D - Program Performance

Points(MAX) Score

- |   |   |   |   |
|---|---|---|---|
| 1 | Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1<br>Yes = 5 No = 0 Needs Improvement = 1-4  | 5 | 5 |
|   | <ul style="list-style-type: none"><li>a. Standard (General Code Compliance)</li><li>b. Public Awareness Effectiveness Reviews</li><li>c. Drug and Alcohol</li><li>d. Control Room Management</li><li>e. Part 193 LNG Inspections</li><li>f. Construction (did state achieve 20% of total inspection person-days?)</li><li>g. OQ (see Question 3 for additional requirements)</li><li>h. IMP/DIMP (see Question 4 for additional requirements)</li></ul> |   |   |

**Evaluator Notes:**

Random snapshot generator drove a review of the following operators: Garretson Gas Utility, Montana-Dakota Utilities (for Distribution), and Sioux Falls Regional Sanitary Landfill (for Transmission)  
Records for the operators were reviewed and all requirements for this question were met.

- |   |   |    |    |
|---|---|----|----|
| 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?<br>Yes = 10 No = 0 Needs Improvement = 1-9 | 10 | 10 |
|   | <ul style="list-style-type: none"><li>a. Standard (General Code Compliance)</li><li>b. Public Awareness Effectiveness Reviews</li><li>c. Drug and Alcohol</li><li>d. Control Room Management</li><li>e. Part 193 LNG Inspections</li><li>f. Construction</li><li>g. OQ (see Question 3 for additional requirements)</li><li>h. IMP/DIMP (see Question 4 for additional requirements)</li></ul>  |    |    |

**Evaluator Notes:**

Yes. The SDPUC uses their own form for Standard, Construction and Damage Prevention inspections. The federal forms are used for all other types of inspections. The Federal Forms are incorporated into SDPUC State Forms.

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

**Evaluator Notes:**

Yes, all OQ inspections are current.

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|---|--|---|---|
| 4 | Is state verifying operator's integrity management Programs (IMP and DIMP)? 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<br>Yes = 2 No = 0 Needs Improvement = 1  | 2 | 2 |
|   | <ul style="list-style-type: none"><li>a. Are the state's largest operator(s) plans being reviewed annually?</li><li>b. Are states verifying with operators any plastic pipe and components that have shown a record of defects/leaks and mitigating those through DIMP plan?</li><li>c. Are the states verifying operators are including low pressure distribution systems in their threat analysis?</li></ul> |   |   |

**Evaluator Notes:**

Yes. all IM inspections are current. SDPUC typically conducts on a 3 yr re-inspection schedule, but will add a question to relevant inspection forms to ensure question (a.) is more easily demonstrated.

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|---|---|---|---|
| 5 | <p>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</p> <p>Yes = 2 No = 0 Needs Improvement = 1</p> <ul style="list-style-type: none"> <li>a. Operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken;</li> <li>b. Operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance);</li> <li>c. Operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21;</li> <li>d. 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;</li> <li>e. 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;</li> <li>f. Operator procedures for considering low pressure distribution systems in threat analysis?</li> <li>g. Operator compliance with state and federal regulations for regulators located inside buildings?</li> </ul> | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes. The SDPUC has a question on their O&M manual inspection form. Question #192.615(a)(3).

All other applicable sub-bullet questions are answered in Program's myriad inspection forms.

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|---|---|---|---|
| 6 | <p>Did the State verify Operators took appropriate action regarding advisory bulletins issued since the last evaluation? (Advisory Bulletins Current Year)</p> <p>Yes = 1 No = 0 Needs Improvement = .5</p> | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

State's operators has limited application to ADB's issued in 2019, but SDPUC did communicate as needed. PHMSA encouraged SDPUC to maintain better documentation to demonstrate compliance to this question.

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|---|---|----|----|
| 7 | <p>(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</p> <p>Yes = 10 No = 0 Needs Improvement = 1-9</p> <ul style="list-style-type: none"> <li>a. Were compliance actions sent to company officer or manager/board member if municipal/government system?</li> <li>b. Were probable violations documented properly?</li> <li>c. Resolve probable violations</li> <li>d. Routinely review progress of probable violations</li> <li>e. Did state issue compliance actions for all probable violations discovered?</li> <li>f. Can state demonstrate fining authority for pipeline safety violations?</li> <li>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)</li> <li>h. Did state compliance actions give reasonable due process to all parties? Including "show cause" hearing, if necessary.</li> <li>i. Within 30 days, conduct a post-inspection briefing with the owner or operator outlining any concerns</li> </ul> | 10 | 10 |
|---|---|----|----|



- 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:

SDPUC followed the SD Administrative Rules and their Pipeline Safety Program procedures for all Probable Violations, Warnings, Concerns, etc.

The operators that were generated from the random generator inspections spreadsheet, along with several other operators, were reviewed. All sub-bullet questions were answered satisfactorily.

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| <b>8</b> | (Incident Investigations) Were all incidents investigated, thoroughly documented, with conclusions and recommendations? | 10 | 10 |
|----------|---|----|----|

Yes = 10 No = 0 Needs Improvement = 1-9

- 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:

State had no incidents in CY 2019, but does maintain sufficient procedures for receiving and responding to an incident.

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|----------|--|---|---|
| <b>9</b> | 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 | 1 | 1 |
|----------|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Response to Chairman letter was not required this year

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|-----------|--|-----------|-----------|
| <b>10</b> | Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5 | Info Only | Info Only |
|-----------|--|-----------|-----------|
- Info Only = No Points

Evaluator Notes:

Yes, the SDPUC co-hosts an annual operator seminar with the state on North Dakota by alternating the site (state) each year. The last seminar was in Rapid City, SD on 3/29-30/2017 for SD, ND, & WY. North Dakota hosted in 2019.

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|-----------|---|-----------|-----------|
| <b>11</b> | Has state confirmed transmission operators have submitted information into NPMS database along with changes made after original submission? | Info Only | Info Only |
|-----------|---|-----------|-----------|
- Info Only = No Points

Evaluator Notes:

Yes, their records inspection form question covering reporting requirements covers this.

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|-----------|---|---|---|
| <b>12</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). | 1 | 1 |
|-----------|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, the SDPUC sends all notices of activities on the federal register to operators along with other important information.

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|-----------|---|---|---|
| <b>13</b> | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

No SRC's in 2019 and none lingering from years past.

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

Evaluator Notes:

Yes. NAPSRS & PHMSA requests are responded to.

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| <b>15</b> | 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.<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

SDPUC doesn't have any open waivers, all have been closed. The two they had open in 2019 have since been withdrawn, and thus closed.

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| <b>16</b> | Were pipeline program files well-organized and accessible?<br>Info Only = No Points | Info Only | Info Only |
|-----------|---|-----------|-----------|

Evaluator Notes:

Files were very well organized. Program manager was able to provide all requested files electronically without delay. Files are easy to follow and allows for effective program continuity.

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

Evaluator Notes:

Yes. SD is okay with their SCIT results for them. The SICT for SD projects about the same level of work as the old staffing formula.

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|-----------|--|-----------|-----------|
| <b>18</b> | Discussion on State Program Performance Metrics found on Stakeholder Communication site.\ <a href="http://primis.phmsa.dot.gov/comm/states.htm?nocache=4805">http://primis.phmsa.dot.gov/comm/states.htm?nocache=4805</a><br>Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

Program manager is well versed with performance metrics found in PDM.

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|-----------|--|-----------|-----------|
| <b>19</b> | 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.<br>Info Only = No Points<br>a. <a href="https://pipelinesms.org/">https://pipelinesms.org/</a><br>b. Reference AGA recommendation to members May 20, 2019 | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

SDPUC had limited discussions with operators on PSMS in CY 2019, but is aware two of the larger operators are working towards this. PHMSA encouraged SDPUC to promote API 1173 and maintain better documentation to demonstrate compliance to this question.

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**20** General Comments:

Info Only = No Points

Info Only Info Only

Evaluator Notes:

State is generally in compliance with Part D.

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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:

On October 6, 2020, the SDPUC (Mary Zanter) inspected the Watertown Municipal Utilities in Watertown, SD. The operator was installing a new 8" interconnect on their Distribution system. The scope of the work inspected included: welding, OQ, purging and return to service operations.

On October 7, 2020, the SDPUC inspected a new residential service installation conducted by the MidAmerican Energy Company in Sioux Falls. The inspection included: installation of new service line, which involve tapping onto the main, fusion, PE fusion, purging, air testing and OQ.

- 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:

Yes, proper state and PHMSA forms were utilized.

- 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:

The inspector was very thorough in all aspects of these audits. She is very knowledgeable on the pipeline safety regulations, thorough and conducted inspection in a professional manner.

- 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:

The inspector was very competent with the pipeline safety regulations and inspection protocols. She conducted the inspections in a professional manner. Additionally, she asked excellent questions and insured the operator's records, procedures, and alike, reflected compliance with the pipeline safety regulations.

- 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:

The inspector provided an exit interview to the operators and sufficiently articulated areas of concern and/or recommendations for improvement.

- 6 Was inspection performed in a safe, positive, and constructive manner ? Info Only Info Only  
Info Only = No Points
- a. No unsafe acts should be performed during inspection by the state inspector
  - b. What did the inspector observe in the field? (Narrative description of field observations and how inspector performed)
  - c. Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices)
  - d. Other

Evaluator Notes:

Inspections were conducted safely and following the COVID Guidelines and State of South Dakota requirements on maintaining a safe distance between individuals. All other aspects of these inspections were done in a safe manner.

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

Evaluator Notes:

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



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

## Evaluator Notes:

Annual reports are reviewed multiple times for different reasons.

1. Annual reports are reviewed using a checklist 2018 Annual Report Check List - Distribution, 2018 Annual Report Check List - Transmission, 2019 Annual Report Check List - Distribution, 2019 Annual Report Check List - Transmission.
2. Reports are reviewed in detail for leak information and trends SD pipeline Safety Program Performance Metrics 4-1-20
3. Reports are reviewed in detail for damage prevention information Damages per 1000 locates updated 3-2020 This report has detailed information for each year in tabs. In 2019 Details reasons for "locating practices not sufficient" and "other" are identified.

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

## Evaluator Notes:

Program manager has regular conversations with the operators with the most excavation damages to seek what steps are being taken to mitigate damages. MidAmerican Energy has hired a contractor who visits excavation sites everyday and pays particular attention to excavators who have been known to damage facilities. MDU has very actively address damages by filing one-call complaints and sending letters to excavators who have damaged facilities. Watertown has a fairly large number of damages, but generally the damages that they see do not result in leaks. In 2019 they had 33 damages, but only 9 of those resulted in leaks. Watertown has developed a very close relationship with the excavators there. Any time an excavator makes contact with the pipeline, they notify the gas department. PM expects that the number of damages are inflated over other operators because of this.

South Dakota has a fairly new requirement that excavators must call 811 as well as the operator when damage occurs. Not all operators are notifying 811. SD One Call and the program manager have been working together to try to address these situations. A report of all the damages reported to 811 is sent out to the operators to ensure that their records match the reports to 811. The operators are then asked to ensure that the excavator is made aware of the need to call 811. Future One Call violation complaints may occur if excavators continue to not call 811 to report damages.

- |   |   |   |    |
|---|---|---|----|
| 3 | Has the state reviewed the operator's annual report pertaining to Part D ? Excavation Damage?<br>Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | NA |
|---|---|---|----|
- 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.)?

## Evaluator Notes:

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

Evaluator Notes:

Damages per 1000 locates were provided in a separate spreadsheet and updated in 3/2020  
Each year the majority of damages are because of "excavation practices not sufficient" at 62-70%. The next most common reason for damage in recent year is "one call notification practices not sufficient" followed by "locating practices not sufficient". Other is generally a small percentage.

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

Evaluator Notes:

SDPUC has a good understanding of operator's performance regarding damage prevention, and has taken steps to improve excavation safety.

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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:

N/A

- 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:

N/A

- 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:

N/A

- 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:

N/A

- 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:

N/A

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

Evaluator Notes:

N/A

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