

**PHMSA UNDERGROUND NATURAL GAS STORAGE (UNGS)**

**Oregon PUC PROGRAM EVALUATION – CY2019**

**CONDUCTED 08/31-09/03/2020**

<b>A – PROGRESS REPORT AND PROGRAM DOCUMENTATION REVIEW</b>	<b>7.5 of 9</b>
<b>B – PROGRAM INSPECTION PROCEDURES</b>	<b>14 of 14</b>
<b>C – PROGRAM PERFORMANCE</b>	<b>22 of 22 (34)</b>
<b>D – COMPLIANCE ACTIVITIES</b>	<b>13 of 13 (21)</b>
<b>E – INCIDENT INVESTIGATIONS</b>	<b>6 of 6 (13)</b>
<b>F – DAMAGE PREVENTION</b>	<b>4 of 4</b>
<b>G – FIELD INSPECTIONS</b>	<b>NC (12)</b>
<b>H - 60106 AGREEMENT STATE (if applicable)</b>	<b>NA (6)</b>
<b>TOTAL PROGRAM EVALUATION POINTS</b>	<b>66.5 OF 68 (113)</b>

## PHMSA UNGS STATE PROGRAM EVALUATION – CY2019

<b>A – PROGRESS REPORT AND PROGRAM DOCUMENTATION REVIEW</b> <b>THIS SECTION ANALYZES ACCURACY AND COMPLETENESS OF ANNUAL PROGRESS REPORT</b>		SCORE
1	Accuracy of Jurisdictional Authority and Operator/Inspection Units Data – Progress Report Attachment 1 (Yes= 1 point, No= 0 Points, NI=.5 point) <b>Comments: NI; .5 of 1 point. Attachment 1 needs to be changed to show 1 Unit.</b>	1
2	Review of Inspection Days for accuracy – Progress Report Attachment 2 (Yes= 1 point, No= 0 Points, NI=.5 point) <b>Comments: Yes. Attachment 2 agrees with OR PUC records.</b>	1
3	Accuracy verification of Operators and Operators Inspection Units in State – Progress Report Attachment 3 (Yes= 1 point, No= 0 Points, NI=.5 point) <b>Comments: NI; .5 of 1 point. Attachment 3 needs to be changed to show 1 Unit. (there are 7 wells in the UNGS field).</b>	1
4	Accuracy verification of Compliance Activities – Progress Report Attachment 5 (Yes= 1 point, No= 0 Points, NI=.5 point) <b>Comments: Yes. Attachment 5 agrees with OR PUC records.</b>	1
5	Were UNGS program files well-organized and accessible? - Progress Report Attachment 6 (Yes= 2 points, No= 0 Points, NI=1 point) <b>Comments: Yes. The records are digital and minimal for 2019. Discussed that the records files will be similar to OPUC Pipeline records over time. Even more so as Pipeline is using IA also.</b>	2
6	Was employee listing and completed training accurate and complete? – Progress Report Attachment 7 (Yes= 1 point, No= 0 Points, NI=.5 point) <b>Comments: NI, .5 of 1 point. Kevin has taken the UNGS course at TQ and the rest are scheduled for the class. This is the first year of the program. Percent Time reported in this program needs to be revised downward toward the single digits/zero.</b>	1
7	Verification of Part 192 and 199 Rules and Amendments – Progress Report Attachment 8 (Yes= 1 point, No= 0 Points) <b>Comments: Yes. Attachment 8 agrees with OPUC records, specifically OAR chapter 860, division 24, section 20, with update effective 5/10/2019.</b>	1
8	List of Planned Performance - Did State describe accomplishments on Progress Report in detail – Progress Report Attachment 10 (Yes= 1 point, No= 0 Points, NI=.5 point) <b>Comments: Yes, Attachment 10 was filled out. Discussed that work applicable to UNGS was also applicable to Gas PL and was charged as Gas PL work.</b>	1

9	<p><b>General Comments:</b> Ms. Megan Decker, Chair, Oregon Public Utility Commission, PO Box 1088, Salem, OR 97308-1088. Kevin Hennessy, Prog Mngr; Patrick Gaume, Evaluator; UNGS PROGRESS REPORT REVIEW score is 50 of 50: No incidents were reported in UNGS for 2019. Part A scored 7.5 of 9 points.</p>	9
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<p align="center"><b>B – PROGRAM INSPECTION PROCEDURES</b></p> <p align="center">Does State Inspection Plan include procedures that address the following elements? (See Guidelines Section 5.1)</p>		
1	<p>Does State have written inspection procedures? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p><b>Comments: Yes. UNGS has been included into the Pipeline Procedures.</b></p>	2
2	<p><b>Standard Inspections</b></p> <p>Do Standard Inspection procedures give guidance to State inspectors that insure consistency for inspections conducted by the State? The following elements should be addressed at a minimum.</p> <ul style="list-style-type: none"> <li>• Pre-Inspection Activities</li> <li>• Inspection Activities</li> <li>• Post Inspection Activities</li> </ul> <p>(Yes= 2 points, No= 0 Points, NI=1 point)</p> <p><b>Comments: Yes. See Part V ‘Conducting Inspections’; Sections B through O of the procedures. They provide general and specific guidance.</b></p>	2
3	<p><b>Specialized Inspections</b></p> <p>Do Specialized Inspection procedures give guidance to State inspectors that insure consistency for inspections conducted by the State? The following elements should be addressed at a minimum.</p> <ul style="list-style-type: none"> <li>• Pre-Inspection Activities</li> <li>• Inspection Activities</li> <li>• Post Inspection Activities</li> </ul> <p>(Yes= 2 points, No= 0 Points, NI=1 point)</p> <p><b>Comments: Yes. See Part V ‘Conducting Inspections’; Sections B through O of the procedures. They provide general and specific guidance.</b></p>	2

4	<p><b>Design, Testing, and Construction Inspections</b></p> <p>Do Design, Testing, and Construction Inspection procedures give guidance to State inspectors that insure consistency for Inspections conducted by the State? The following elements should be addressed at a minimum.</p> <ul style="list-style-type: none"> <li>• Pre-Inspection Activities</li> <li>• Inspection Activities</li> <li>• Post Inspection Activities</li> </ul> <p>(Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: <b>Yes. See Part V ‘Conducting Inspections’; Sections B through O, but specifically H of the procedures. They provide general and specific guidance.</b></p>	1
5	<p><b>Drug and Alcohol Inspections</b></p> <p>Do Drug and Alcohol Inspection procedures give guidance to State inspectors that insure consistency for Inspections conducted by the State? The following elements should be addressed at a minimum.</p> <ul style="list-style-type: none"> <li>• Pre-Inspection Activities</li> <li>• Inspection Activities</li> <li>• Post Inspection Activities</li> </ul> <p>(Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p>Comments: <b>Yes. See Part V ‘Conducting Inspections’; Sections B through O of the procedures. They provide general and specific guidance.</b></p>	1
6	<p>Does inspection plan address inspection priorities of each inspection unit, based on the following elements?</p> <ul style="list-style-type: none"> <li>• <b>Length of time since last inspection (Within five-year interval per inspection unit)</b></li> <li>• <b>Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)</b></li> <li>• <b>Type of activity being undertaken by operators in inspection units (i.e. construction)</b></li> <li>• <b>Locations of operator’s inspection units being inspected - (HCA's, Geographic area, Population Density, etc.)</b></li> <li>• <b>Process to identify high-risk inspection units considering integrity threats</b></li> <li>• <b>Are inspection units broken down appropriately?</b></li> </ul> <p>(Yes= 6 points, No= 0 Points, NI=1-5 points)</p> <p>Comments: <b>Yes. See Section B of the Procedures. Is used informally as OR has only 3 operators and they are seen every year for one inspection or another.</b></p>	6
7	<p><b>General Comments: Part B scored 14 of 14 points.</b></p>	14

C – PROGRAM PERFORMANCE		
1	<p>Was ratio of Total Inspection Person-Days to Total Person-Days acceptable? (Chapter 4.2)</p> <p><b>A = Total Inspection Person Days (Attachment 2)</b>  <b>B = Total Inspection Person Days Charged to the program</b>  <b>(220 x Number of Inspection person years from Attachment 7)</b>  <b>Ratio = A/B      If Ratio &gt;= .38 then score = 5 points. If Ratio &lt; .38 then score = 0 points.</b>          (Yes= 5 points, No= 0 Points)  <b>Comments: yes. The corrected Attachment 7 will agree with the year-end-payment request and will show no inspector and no Field time for 2019. 0/0=indeterminate. Points awarded. Only Supervision time was charged against the UNGS Program for 2019.</b></p>	5
2	<p>Has each Inspector and Program Manager fulfilled the TQ Training Requirements? (See Guidelines Appendix C for requirements and Chapter 4.3.1)          (Yes= 5 points, No= 0 Points, NI=1-4)  <b>Comments: Yes. The Program Manager has completed the UNGS TQ Course. The Inspectors are scheduled for the course.</b></p>	5
3	<p>Does State use the PHMSA Inspection Assistant (IA) program to document inspections?          (Yes= 2 points, No= 0 Points, NI=1 point)  <b>Comments: Yes. No inspections were performed but OPUC is skilled in IA and uses it for its Gas Program. UNGS Inspections will be done in IA.</b></p>	2
4	<p>Did records and discussions with Program Manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1          (Yes= 2 points, No= 0 Points, NI=1 point)  <b>Comments: Yes. Kevin is knowledgeable of PHMSA Programs and Procedures</b></p>	2
5	<p>Did State respond to PHMSA's Evaluation Letter within 60 days and correct or address any noted deficiencies? Chapter 8.1          (Yes= 2 points, No= 0 Points, NI=1 point)  <b>Comments: NA, First year of the UNGS Program.</b></p>	NA
6	<p>Did State inspect all types of operators and inspection units in accordance with time intervals established in their written procedures? Chapter 5.1          (Yes= 5 points, No= 0 Points, NI=1-4 points)  <b>Comments: NA. Inspections have not been started for UNGS. OPUC has a three-year cycle for inspections. The planned Inspection for this week (8/31-9/4/20) was cancelled due to COVID 19. The inspection is rescheduled for 2021.</b></p>	NA
7	<p>Did State Inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Chapter 5.1          (Yes= 2 points, No= 0 Points, NI=1 point)  <b>Comments: Yes. UNGS in IA will be used.</b></p>	2
8	<p>Did State complete all applicable portions of inspection forms?          (Yes= 2 points, No= 0 Points, NI=1 point)  <b>Comments: NA. Inspections have not been started for UNGS.</b></p>	NA

9	<p>Has the State reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p><b>Comments: Yes. OPUC uses the annual report data in detail for the Gas program. There is not much data to study for UNGS yet, but will develop a review similar to Gas.</b></p>	2
10	<p>Is the State verifying operators are conducting drug and alcohol tests required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199 (Yes= 2 points, No= 0 Points, NI= 1 point)</p> <p><b>Comments: Yes. It is covered through the Gas program. D&amp;A inspections are being done in IA effective 2020.</b></p>	2
11	<p>Does the State have a mechanism for communicating with stakeholders regarding the inspection and enforcement program? (This should include making enforcement cases available to public). (Yes= 1 points, No= 0 Points, NI=.5 point)</p> <p><b>Comments: Yes. By website; <a href="https://www.oregon.gov/PUC/Pages/default.aspx">https://www.oregon.gov/PUC/Pages/default.aspx</a> ; and for contact information; <a href="https://www.oregon.gov/puc/about-us/Pages/Contact-Us.aspx">https://www.oregon.gov/puc/about-us/Pages/Contact-Us.aspx</a> .</b></p>	1
12	<p>Did State execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (Yes= 1 points, No= 0 Points, NI=.5 point)</p> <p><b>Comments: NA, none in Oregon, neither Gas or UNGS.</b></p>	NA
13	<p>Did the State participate in/respond to surveys or information requests from PHMSA? (Yes= 1 points, No= 0 Points, NI=.5 point)</p> <p><b>Comments: Yes. Response is made to all requests/inquires.</b></p>	1
14	<p>Did the State forward any potential waivers/permits to PHMSA for review prior to issuing them to operators? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p><b>Comments: NA, none in UNGS.</b></p>	NA
15	<p>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 point, No= 0 Points, NI=.5 point)</p> <p><b>Comments: NA. none.</b></p>	NA
16	<p><b>General Comments: Part C scored 22 of 22 points. Questions 5, 6, 8, 12, 14, &amp; 15 were NA.</b></p>	34

D – COMPLIANCE ACTIVITIES		
1	<p>Does the State have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1</p> <ul style="list-style-type: none"> <li>• <b>Procedures to notify an operator (company officer) when a noncompliance is identified</b></li> <li>• <b>Procedures to routinely review progress of compliance actions to prevent delays or breakdowns</b></li> <li>• <b>Procedures regarding closing outstanding probable violations</b></li> </ul> <p>(Yes= 4 points, No= 0 Points, NI=1-3 points)  <b>Comments: Yes. See Part V ‘Conducting Inspections’; Section Q of the procedures.</b></p>	4
2	<p>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> <ul style="list-style-type: none"> <li>• Were compliance actions sent to company officer or manager/board member if municipal/government system?</li> <li>• Document probable violations</li> <li>• Resolve probable violations</li> <li>• Routinely review progress of probable violations</li> <li>• ; and</li> </ul> <p>(Yes= 4 points, No= 0 Points, NI=1-3 points)  <b>Comments: NA, no inspections were performed in 2019. Procedures are in place.</b></p>	NA
3	<p>Did State within 30 days of the end of an inspection conduct a post-inspection briefing with the owner or operator of the UNGS facility inspected outlining any concerns identified during the inspection?</p> <p>(Yes= 2 points, No= 0 Points, NI=1 point)  <b>Comments: Yes. See Part V ‘Conducting Inspections’; Sections C, and O of the procedures. No inspections were performed in 2019.</b></p>	2
4	<p>Did State within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection?</p> <p>(Yes= 2 points, No= 0 Points, NI=1 point)  <b>Comments: Yes. See Part V ‘Conducting Inspections’; Sections C, and O of the procedures. No inspections were performed in 2019.</b></p>	2
5	<p>Did the State issue compliance actions for all probable violations discovered?</p> <p>(Yes= 2 points, No= 0 Points, NI=1 point)  <b>Comments: NA, no inspections were performed in 2019. Procedures are in place.</b></p>	NA
6	<p>Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary.</p> <p>(Yes= 2 points, No= 0 Points)  <b>Comments: NA, no inspections were performed in 2019. Procedures are in place.</b></p>	NA

7	<p>Is the Program Manager familiar with State process for imposing civil penalties? (describe any actions taken) (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p><b>Comments: Yes, Kevin is very familiar with the process.</b></p>	2
8	<p>Were civil penalties considered for repeat violations, violations which can't be corrected by other means, or violations resulting in incidents? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p><b>Comments: Yes, the record of a 2013 OQ Violation was shown and showed a \$40K civil penalty.</b></p>	2
9	<p>Can the State demonstrate it is using their enforcement fining authority for safety violations? (Yes= 1 point, No= 0 Points, NI= .5 point)</p> <p><b>Comments: Yes, the record of a 2013 OQ Violation was shown and showed a \$40K civil penalty.</b></p>	1
10	<b>General Comments: Part D scored 13 of 13 points. Questions 2, 5, &amp; 6 were NA.</b>	<del>21</del>



E – INCIDENT INVESTIGATIONS		
1	<p>Does the State have written procedures to address State actions in the event of an incident? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p><b>Comments: Yes. See Part VI ‘Investigation of Incidents’ in the procedures.</b></p>	2
2	<p>Does State have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p><b>Comments: Yes. 24/7 phone no: 503-378-6965, Pipeline inspectors rotate being on duty with the phone. State also accesses the NRC reports.</b></p>	2
3	<p>Did the State keep adequate records of Incident notifications received? (Yes= 2 points, No= 0 Points, NI=1 point)</p> <p><b>Comments: NA. No UNGS incidents have occurred. Procedures are in place.</b></p>	NA
4	<p>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 (Yes= 1 point, No= 0 Points, NI= .5 point)</p> <p><b>Comments: NA. No UNGS incidents have occurred. Procedures are in place.</b></p>	NA
5	<p>Were all incidents investigated, thoroughly documented, and with conclusions and recommendations?</p> <ul style="list-style-type: none"> <li>• <b>Observations and document review</b></li> <li>• <b>Contributing Factors</b></li> <li>• <b>Recommendations to prevent recurrences where appropriate</b></li> </ul> <p>(Yes= 3 points, No= 0 Points, NI=1-2 points)</p> <p><b>Comments: NA. No UNGS incidents have occurred. Procedures are in place.</b></p>	NA
6	<p>Did the State initiate compliance action for violations found during any incident investigation? (Yes= 1 point, No= 0 Points)</p> <p><b>Comments: NA. No UNGS incidents have occurred. Procedures are in place.</b></p>	NA
7	<p>Did the State assist the 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? (validate report data from operators concerning incidents and investigate discrepancies) Chapter 6 (Yes= 1 point, No= 0 Points, NI= .5 point)</p> <p><b>Comments: Okay, OPUC is ready to do so; no such requests were made in 2019.</b></p>	1
8	<p>Does State share lessons learned from incidents with PHMSA? (Yes= 1 point, No= 0 Points)</p> <p><b>Comments: Yes. Practice is to share Lessons Learned during the Regional NAPS R Meeting.</b></p>	1

9	General Comments: Part E scored 6 of 6 points. Questions 3,4,5, & 6 were NA.	<del>13</del>
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F – DAMAGE PREVENTION		
1	<p>Did the State inspector verify UNGS operators are following their written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system? (API 1171 Section 11.10 Public Awareness and Damage Prevention) (Yes= 2 points, No= 0 Points, NI=1 Point)</p> <p><b>Comments: Yes. Generally addressed during the HQ inspections. UNGS is considered along with the rest of the Pipeline facilities.</b></p>	2
2	<p>Did the State encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (Common Ground Alliance Best Practices, support excavation damage prevention legislation, etc.) (Yes= 2 points, No= 0 Points, NI=1 Point)</p> <p><b>Comments: Yes. OPUC is a partner in the Oregon Utility Notification Center (OUNC). OPUC sponsors the OR Utility Safety Council (OUSC) with bi-monthly meetings including all operators.</b></p>	2
3	<p><b>General Comments: Part F scored 4 of 4 points.</b></p>	4

G – FIELD INSPECTIONS		
1	Operator, Inspector, Location, Date and PHMSA Representative <b>Comments: NC. UNGS Inspection unavailable due to COVID 19.</b>	
2	Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (Yes= 1 point, No= 0 Points) <b>Comments: NC. UNGS Inspection unavailable due to COVID 19.</b>	NC
3	Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (Yes= 2 points, No= 0 Points, NI=1 Point) <b>Comments: NC. UNGS Inspection unavailable due to COVID 19.</b>	NC
4	Did the inspector thoroughly document results of the inspection? (Yes= 2 points, No= 0 Points, NI=1 Point) <b>Comments: NC. UNGS Inspection unavailable due to COVID 19.</b>	NC
5	Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Yes= 1 point, No= 0 Points) <b>Comments: NC. UNGS Inspection unavailable due to COVID 19.</b>	NC
6	Did the inspector adequately review the following during the field portion of the State Program Evaluation? <ul style="list-style-type: none"> <li>• Procedures</li> <li>• Records</li> <li>• Field Activities/Facilities</li> <li>• Other (please comment)</li> </ul> (Yes= 2 points, No= 0 Points, NI=1 Point) <b>Comments: NC. UNGS Inspection unavailable due to COVID 19.</b>	NC
7	Did the inspector have adequate knowledge of the UNGS safety program and regulations? (Evaluator will document reasons if unacceptable) (Yes= 2 points, No= 0 Points, NI=1 Point) <b>Comments: NC. UNGS Inspection unavailable due to COVID 19.</b>	NC
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) (Yes= 1 point, No= 0 Points) <b>Comments: NC. UNGS Inspection unavailable due to COVID 19.</b>	NC

[illegible]

H - 60106 AGREEMENT STATE (if applicable)		
1	<p>Did the State use the current federal inspection form(s)? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p><b>Comments: NA. Not a 60106 Partner.</b></p>	NA
2	<p>Are results documented demonstrating inspection units were reviewed in accordance with State inspection plan? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p><b>Comments: NA. Not a 60106 Partner.</b></p>	NA
3	<p>Were any probable violations identified by State referred to PHMSA for compliance action? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p><b>Comments: NA. Not a 60106 Partner.</b></p>	NA
4	<p>Did the State immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p><b>Comments: NA. Not a 60106 Partner.</b></p>	NA
5	<p>Did the State give written notice to PHMSA within 60 days of all probable violations found? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p><b>Comments: NA. Not a 60106 Partner.</b></p>	NA
6	<p>Did the State initially submit adequate documentation to support compliance action by PHMSA on probable violations? (Yes= 1 point, No= 0 Points, NI=.5 point)</p> <p><b>Comments: NA. Not a 60106 Partner.</b></p>	NA
7	<b>General Comments: NA. Not a 60106 Partner.</b>	6