



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

1200 New Jersey Avenue SE  
Washington DC 20590

# 2011 Natural Gas State Program Evaluation

for

WISCONSIN PUBLIC SERVICE COMMISSION

## Document Legend

### PART:

- O -- Representative Date and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- Program Performance
- D -- Compliance Activities
- E -- Incident Investigations
- F -- Damage Prevention
- G -- Field Inspections
- H -- Interstate Agent State (If Applicable)
- I -- 60106 Agreement State (If Applicable)



2011 Natural Gas State Program Evaluation -- CY 2011  
Natural Gas

**State Agency:** Wisconsin

**Agency Status:**

**Date of Visit:** 08/27/2012 - 08/30/2012

**Agency Representative:** Tom Stemrich, Pipeline Safety Manager, Natural Gas Division  
Dagmar Vanek, Pipeline Safety Engineer

**PHMSA Representative:** Glynn Blanton, DOT/PHMSA State Programs

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

**Name/Title:** Mr. Phil Montgomery, Chairman  
**Agency:** Public Service Commission of Wisconsin  
**Address:** 610 North Whitney Way, PO Box 7854  
**City/State/Zip:** Madison, WI 53707-7854

**Rating:**

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

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**INSTRUCTIONS:**

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2011 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

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**Field Inspection (PART G):**

The field inspection form used will allow different areas of emphasis to be considered for each question. Question 13 is provided for scoring field observation areas. In completing PART G, the PHMSA representative should include a written summary which thoroughly documents the inspection.

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**Scoring Summary**

**PARTS**

A Progress Report and Program Documentation Review  
B Program Inspection Procedures  
C Program Performance  
D Compliance Activities  
E Incident Investigations  
F Damage Prevention  
G Field Inspections  
H Interstate Agent State (If Applicable)  
I 60106 Agreement State (If Applicable)

**Possible Points Points Scored**

10 9.5  
15 14  
41 39  
14 14  
9 9  
8 6  
12 12  
0 0  
0 0

**TOTALS**

**109 103.5**

**State Rating** .....

**95.0**

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## PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- |          |   |   |   |
|----------|---|---|---|
| <b>1</b> | Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1 (A1a)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

No issues were noted in this section.

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

Evaluator Notes:

No issues were noted in State Inspection Activity report document. Records of inspection person days maintained by Public Service Commission of Wisconsin (PSCWI) were the same number entered into attachment 2.

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

Evaluator Notes:

Compared and reviewed Attachment 3 of the 2011 Natural Gas Base Grant Progress Report with PSCWI's database, files and work papers. Verification of information found no areas of concern.

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

Evaluator Notes:

In 2011, two incidents were listed in Attachment 4. However, only one incident on Xcel Energy facility in Ashland, WI was reported to NRC. The second incident occurred 4-10-11 on Wisconsin Public Service Corporation gas facility was determined to be a non-reportable event due to a fire first classification. Verification of the incident was checked via ODES/ Pipeline Data Mart. No issues were noted in this section of the review.

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

Evaluator Notes:

A review and verification of Attachment 5 of the 2011 Natural Gas Base Grant Progress Report compliance activities matched the records kept by PSCWI. The calculation of probable violations to be corrected at the end of the year was verified by using the probable violations carried over from the previous year plus violations found less number corrected during the year. The number was correct. A review of PSCWI Attachment 5 documents from CY2001 to CY2011 indicate no civil penalties have been assessed nor collected against an operator by the agency.

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

Evaluator Notes:

Yes, a review of several inspection reports in their data base and file folders found the information to be well organized and accessible.

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

Evaluator Notes:

A review of Attachment 7 of the 2011 Natural Gas Base Grant Progress Report found employees listed and their qualification categories to be correct. Assistant Administrator should be listed under Clerical and Administrative Support if the individual will not be performing pipeline safety inspections. Information from PHMSA TQ online training system, SABA, indicated not all pipeline safety inspectors have not completed the HAZWOPER training course. Additionally, one engineer has not

completed the LNG course but is not performing LNG inspections. If the individual is responsible for LNG inspections in the future, they will need to complete the LNG course, PL4253.

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- |          |   |   |   |
|----------|---|---|---|
| <b>8</b> | Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

PSCWI has not adopted five amendments within 36 months of the effective date as required in the state performance criteria for the natural gas pipeline safety program. Eight additional amendments will be added to the "not adopted" category if the amendments are not approved by December 31, 2012. This requirement is described in the "2011 Guidelines for States Participating in the Pipeline Safety Program", section 8.2, Compliance with Program Requirements, page 38. The state has not adopted civil penalties substantially the same as DOT (\$100,000/\$1,000,000) for violation of One Call law as required in Part 198 (h).

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- |          |   |   |     |
|----------|---|---|-----|
| <b>9</b> | List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 (H1-3)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|----------|---|---|-----|

Evaluator Notes:

Improvement is needed in providing a more descriptive narrative of planned and past performance objectives and accomplishments in Attachment 10. This item was discussed with the Program Manager.

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- |           |  |           |           |
|-----------|--|-----------|-----------|
| <b>10</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

A.9 Improvement is needed in providing a more descriptive narrative of planned and past performance objectives and accomplishments in Attachment 10. This item was discussed in last year's review with the Program Manager. Therefore, a loss of 0.5 points was charged.

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Total points scored for this section: 9.5  
Total possible points for this section: 10



## PART B - Program Inspection Procedures

Points(MAX) Score

- |          |  |   |   |
|----------|--|---|---|
| <b>1</b> | Standard Inspections (B1a)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

This information is located in the Public Service Commission of Wisconsin, "Policy for Conducting Pipeline Safety Inspections" page 1, item 1.

- |          |   |   |   |
|----------|---|---|---|
| <b>2</b> | IMP Inspections (including DIMP) (B1b)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

This information is located in the Public Service Commission of Wisconsin, "Policy for Conducting Pipeline Safety Inspections" page 4.

- |          |   |   |   |
|----------|---|---|---|
| <b>3</b> | OQ Inspections (B1c)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

This information is located in the Public Service Commission of Wisconsin, "Policy for Conducting Pipeline Safety Inspections" page 4.

- |          |  |   |   |
|----------|--|---|---|
| <b>4</b> | Damage Prevention Inspections (B1d)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

This information is located in the Public Service Commission of Wisconsin, "Policy for Conducting Pipeline Safety Inspections" page 1, item 1 and page 3.

- |          |  |   |   |
|----------|--|---|---|
| <b>5</b> | On-Site Operator Training (B1e)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

This information is located in the Public Service Commission of Wisconsin, "Policy for Conducting Pipeline Safety Inspections" item 12, page 4.

- |          |   |   |   |
|----------|---|---|---|
| <b>6</b> | Construction Inspections (B1f)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

This information is located in the Public Service Commission of Wisconsin, "Policy for Conducting Pipeline Safety Inspections" page 1 & 3, item 11.

- |          |  |   |   |
|----------|--|---|---|
| <b>7</b> | Incident/Accident Investigations (B1g)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

This information is located in the Public Service Commission of Wisconsin, "Policy for Conducting Pipeline Safety Inspections" page 8 & 9.

- |          |   |   |   |
|----------|---|---|---|
| <b>8</b> | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? (B2a-d, G1,2,4)<br>Yes = 6 No = 0 Needs Improvement = 1-5 | 6 | 5 |
|----------|---|---|---|

- |    |  |                                      |                          |   |
|----|--|--------------------------------------|--------------------------|---|
| a. | Length of time since last inspection   | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)    | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Type of activity being undertaken by operators (i.e. construction)   | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

- e. Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors)

Yes ☒ No ☐ Needs Improvement ☐

- f. Are inspection units broken down appropriately?

Yes ☐ No ☐ Needs Improvement ☒

Evaluator Notes:

Item a-f is listed below and indicates their location in the Public Service Commission of Wisconsin, Policy for Conducting Pipeline Safety Inspections document.

a. page 1

b. page 3

c. page 3

d. page 3, item 7

e. page 3, item 7

f. Needs improvement. Inspection units were broken down appropriately but description of the unit was not provided in the document. One point was deducted.

9 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

B.8 Improvement is needed by defining and providing a description of "inspection unit" in the policy inspection plan.

Total points scored for this section: 14  
Total possible points for this section: 15



## PART C - Program Performance

Points(MAX) Score

- 1 Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 (A12) 5 5  
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):  
454.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
220 X 4.50 = 990.00

Ratio: A / B  
454.00 / 990.00 = 0.46

If Ratio  $\geq$  0.38 Then Points = 5, If Ratio  $<$  0.38 Then Points = 0  
Points = 5

### Evaluator Notes:

A. Total Inspection Person Days (Attachment 2) = 454

B. Total Inspection Person Days Charged to the program (220\*Number of Inspection person years (Attachment 7) = 990

Formula: - Ratio = A/B = 454/990 = 0.46

Rule: (If Ratio  $\geq$  .38 then points = 5 else Points = 0.)

Thus Points = 5

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines for requirements) Chapter 4.4 (A8-A11, G19) 5 5  
Yes = 5 No = 0 Needs Improvement = 1-4

- |   |                                      |                          |   |
|---|--------------------------------------|--------------------------|---|
| a. Completion of Required OQ Training before conducting inspection as lead?                                     | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. Root Cause Training by at least one inspector/program manager  | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. Note any outside training completed  | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

### Evaluator Notes:

No issues.

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

### Evaluator Notes:

No issues. Tom Stemrich has an understanding of the pipeline safety program and regulations.

- 4 Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 (A6-7) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

### Evaluator Notes:

Yes, Chairman Montgomery response letter was received on January 17, 2012 and within the 60 day time requirement.

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

### Evaluator Notes:

Yes, the pipeline safety seminar was held on February 15-18, 2011 in Wisconsin Dells, WI.

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

Evaluator Notes:

Yes, all inspection units were performed in accordance to their Policy for Conducting Pipeline Safety Inspections. A review of the inspection reports and documentations indicated they are ahead of their schedule. Normal inspection review is set to be 33% each year in order to review all inspection units within a three year time period.

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- |   |   |   |   |
|---|---|---|---|
| 7 | Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1 (B4-5)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|
- 

Evaluator Notes:

Yes, a review of Florence Gas Utility, City Gas, Midwest Natural Gas, Wisconsin Gas, Wisconsin Power & Light and Wisconsin Public Service Corporation inspection reports indicated all sections were completed with required information. In regard to questions that were not relative to the regulations being reviewed, an answer of "No" or NA was provided by the inspector into the form. No issues were found.

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- |   |  |   |    |
|---|--|---|----|
| 8 | Did the state review operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken? (NTSB) Chapter 5.1 (B7)<br>Yes = 1 No = 0 | 1 | NA |
|---|--|---|----|
- 

Evaluator Notes:

The State of Wisconsin does not have cast-iron mains, service lines or pipelines located in their state.

- 
- |   |   |   |    |
|---|---|---|----|
| 9 | Did the state review 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) (NTSB) Chapter 5.1 (B8)<br>Yes = 1 No = 0 | 1 | NA |
|---|---|---|----|
- 

Evaluator Notes:

The State of Wisconsin does not have cast-iron mains, service lines or pipelines located in their state.

- 
- |    |  |   |   |
|----|--|---|---|
| 10 | Did the state review 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? (NTSB) Chapter 5.1 (B9)<br>Yes = 1 No = 0 | 1 | 1 |
|----|--|---|---|
- 

Evaluator Notes:

Yes, this is discussed and checked on the standard inspection review form.

- 
- |    |   |   |   |
|----|---|---|---|
| 11 | Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 192.617? Chapter 5.1 (B10,E5)<br>Yes = 1 No = 0 | 1 | 1 |
|----|---|---|---|
- 

Evaluator Notes:

This item is reviewed in the standard inspection form.

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- |    |   |   |   |
|----|---|---|---|
| 12 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? Data Initiative (G6-9,G16)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----|---|---|---|
- 

Evaluator Notes:

Yes. This is accomplished by staff reviewing each operator's annual report and tabulating information by miles of mains, services and leakage. The data is reviewed for trends and used in determining their inspection visits.

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- |    |  |   |   |
|----|--|---|---|
| 13 | Did state input all applicable OQ, IMP inspection results into federal database in a timely manner? This includes replies to Operator notifications into IMDB database. Chapter 5.1 (G10-12) | 2 | 1 |
|----|--|---|---|
-



Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

IMP inspection data was recorded in the federal database for calendar year 2011. However, OQ inspection results were not recorded in the database. Improvement is needed. Therefore, one point was deducted.

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- |           |   |   |   |
|-----------|---|---|---|
| <b>14</b> | Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission? (G14)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

Yes, this item is routinely reviewed by Program Manager by accessing the NPMS database and reviewing their pipeline locations.

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- |           |  |   |   |
|-----------|--|---|---|
| <b>15</b> | Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199 (I1-3)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

Yes, this is reviewed during the standard inspection visit and recorded on the inspection form. The inspector also checks the operator's bulletin boards to see if the company's drug policy and procedures are posted and available to their employees.

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- |           |  |   |   |
|-----------|--|---|---|
| <b>16</b> | Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 192 Part N (I4-7)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes, verification of OQ programs is reviewed during the construction inspection. However, the information is not being recorded in the OQ Protocol 9 inspection forms. One point was deducted due to failure to complete the OQ Protocol 9 form as listed in their policy procedures.

- 
- |           |  |   |   |
|-----------|--|---|---|
| <b>17</b> | Is state verifying operator's gas transmission integrity management programs (IMP) are up to date? This should include a previous review of IMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart 0 (I8-12)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

Yes, a review of the PHMSA Gas Transmission Integrity Management database indicates Wisconsin Gas Company was reviewed on May 24, 2011.

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- |           |   |           |           |
|-----------|---|-----------|-----------|
| <b>18</b> | Is state verifying operator's gas distribution integrity management Programs (DIMP)? This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart P<br>Info Only = No Points | Info Only | Info Only |
|-----------|---|-----------|-----------|

Evaluator Notes:

Yes, they are performing DIMP inspection reviews during the standard inspection visits. Additionally, in the procedures manual they stated, "DIMP Inspection should be completed at all operators by January 31, 2014 using the appropriate DOT inspection form".

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- |           |   |   |   |
|-----------|---|---|---|
| <b>19</b> | Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 192.616 (I13-16)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

Yes, this is included in the standard inspection form.

- 20** 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). (G20-21) 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, this is accomplished via the Wisconsin Utility Association and PSCWI website.

- 21** Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (B6) 1 NA  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

No safety related conditions reports were filed in 2011.

- 22** Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? (G13) 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, in 2009 a letter was sent to all operators about this issue. As a result, Wisconsin Gas agreed to replace approximately 125 mile of PVC pipelines by 2013 and 54 miles of fiber glass pipelines by 2014. The program manager and staff members are monitoring this program during their inspection visits and review of the company's annual report form.

- 23** Did the state participate in/respond to surveys or information requests from NAPS or PHMSA? (H4) 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes.

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

Evaluator Notes:

C13. OQ inspection results were not recorded in the federal database. Improvement is needed. Therefore, one point was deducted.

C16. One point was deducted due to failure to complete the OQ Protocol 9 form as listed in their policy procedures.

Total points scored for this section: 39  
Total possible points for this section: 41

## PART D - Compliance Activities

Points(MAX) Score

- 1** Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1 (B12-14, B16, B1h) 4 4  
Yes = 4 No = 0 Needs Improvement = 1-3
- a. Procedures to notify an operator (company officer) when a noncompliance is identified Yes ☒ No ☐ Needs Improvement ☐
- b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

- a. This item is identified in the PSCWI Policy for Conducting Pipeline Safety Inspections, page 5, item 5.  
b. This item is identified in the PSCWI Policy for Conducting Pipeline Safety Inspections, page 5, item 3.

- 2** Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1 (B11,B18,B19) 4 4  
Yes = 4 No = 0 Needs Improvement = 1-3
- a. Were compliance actions sent to company officer or manager/board member if municipal/government system? Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Yes, a review of office files and reports in the data base confirm letters and correspondence was mailed to an officer of the company and provided information on the violation(s) and a process the operator could use to close the violation(s).

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

Evaluator Notes:

Yes, a review of the database, Electronic Regulatory Filing System, showed probable violations are issued and tracked for compliance until they have been corrected by the operator and documented by the inspector.

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

Evaluator Notes:

Yes, PSCWI has the authority under their rules and regulations to issue a show cause hearing.

- 5** Is the program manager familiar with state process for imposing civil penalties? Were civil penalties considered for repeat violations (with severity consideration) or violations resulting in incidents/accidents? (describe any actions taken) (B27) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, the program manager is familiar with the state agency's process for imposing civil penalties. Consideration has been used in accessing civil penalties for repeated violations or the use of reducing a rate increase request by the operator. The agency has used the rate reduction mechanize because this has stronger impact to the stockholders for non-compliance violations.

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

Evaluator Notes:

Improvement is needed in this area. A review of enforcement action from 2001 to 2011 found no civil penalties or enforcement action has been taken against an operator.

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

Evaluator Notes:

D.6 Improvement is needed in the enforcement area. A review of the 2001-2011 Federal Progress Report, Attachment 5-

Stats on Compliance Actions, found no civil penalties or formal enforcement action has been taken against an operator in the State of Wisconsin.

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



## PART E - Incident Investigations

Points(MAX) Score

- |          |   |                                      |  |
|----------|---|--------------------------------------|--|
| <b>1</b> | Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 (A2,D1-3)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2                                    | 2  |
| a.       | Acknowledgement of MOU between NTSB and PHMSA (Appendix D)  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b.       | Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E)  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

### Evaluator Notes:

Yes, PSCWI regulation 104.5 requires the operator to notify the agency on incidents including after-hour reporting. A letter dated March 2, 2011 was send to all operators providing information on who and how to notify the agency's pipeline safety staff about reporting an incident.

- |          |   |   |   |
|----------|---|---|---|
| <b>2</b> | If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 (D4)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

### Evaluator Notes:

Yes, this item is discussed in PSCWI Policy for Conducting Pipeline Safety Inspections located on page 9.

- |          |  |                                      |  |
|----------|--|--------------------------------------|--|
| <b>3</b> | Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? (D5)<br>Yes = 3 No = 0 Needs Improvement = 1-2 | 3                                    | 3  |
| a.       | Observations and document review   | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b.       | Contributing Factors   | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c.       | Recommendations to prevent recurrences when appropriate  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

### Evaluator Notes:

The incident in Ashland, WI was reviewed with the operator via telephone call about the gas meter being hit by lightning. No issues.

- |          |  |   |   |
|----------|--|---|---|
| <b>4</b> | Did the state initiate compliance action for violations found during any incident/accident investigation? (D6)<br>Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

### Evaluator Notes:

No violations were noted or found in the incident.

- |          |  |   |   |
|----------|--|---|---|
| <b>5</b> | Did the state assist region office 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/accidents and investigate discrepancies) Chapter 6 (D7)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

### Evaluator Notes:

Yes. They work closely with PHMSA Central Region in resolving operator incident reports. In 2011, they provided information to PHMSA Central Region on the Wisconsin Public Service lightning site incident.

- |          |   |   |   |
|----------|---|---|---|
| <b>6</b> | Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPS Region meetings, state seminars, etc) (G15)<br>Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

### Evaluator Notes:

Yes, information is shared with NAPS Region members during their Central Region meeting.

**7** General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

No issues in this section.

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



## PART F - Damage Prevention

Points(MAX) Score

- |   |   |   |   |
|---|---|---|---|
| 1 | Has the state reviewed directional drilling/boring procedures of each pipeline operator or its contractor to determine if they include actions to protect their facilities from the dangers posed by drilling and other trench less technologies? NTSB (E1)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, this is reviewed and discussed with the operator during their inspection visit. This item is listed in section 192.614 (b, 6) of their form.

- |   |  |   |   |
|---|--|---|---|
| 2 | Did the state inspector check to assure the pipeline operator is following its written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system? (E2)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, this is discussed and reviewed during the standard inspection with the operator representatives. Information on the operator's response to damage prevention is recorded in the inspection form.

- |   |   |   |   |
|---|---|---|---|
| 3 | Did the state encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (i.e. such as promoting/adopting the CGA Best Practices encouraging adoption of the 9 Elements, etc.) (E3)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, they encourage operators to report damages to their underground facilities via CGA DIRT program and adopt CGA Best Practices. In the agency's proposed rules, all natural gas companies will be required to report all damages to the CGA DIRT program.

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

Evaluator Notes:

Information from the gas operator's 2011 annual reports has been reviewed by staff members on the number of pipeline damages per 1,000 locate request along with discussions with the State One Call organization. However, the agency has not collected data and evaluated trends on damages per 1,000 locate request and provided a report of these findings. This item was mentioned in last year's Chairman's letter and discussed with program manager. The agency has the authority under existing rules and regulations to request the filing of damages by the operator in a data request format.

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

Evaluator Notes:

F4. Improvement is needed and loss of two points occurred due to failure to not develop and tabulate the number of damages and trends on pipeline damages per 1,000 locate request. This item was mentioned in last year's Chairman's letter.

Total points scored for this section: 6  
Total possible points for this section: 8

# PART G - Field Inspections

Points(MAX) Score

- 1 Operator, Inspector, Location, Date and PHMSA Representative Info OnlyInfo Only  
Info Only = No Points

Name of Operator Inspected:

Xcel Energy Company

Name of State Inspector(s) Observed:

Dagmar Vanek, Pipeline Safety Engineer and Tom Stemrich, Supervisor

Location of Inspection:

Eau Claire, Wisconsin

Date of Inspection:

08/27-28/2012

Name of PHMSA Representative:

Glynn Blanton, DOT/PHMSA State Programs

Evaluator Notes:

This was a standard office inspection review. The following Xcel Energy Company representatives were present:

Julie Simon, Director, Field Operations

Sharon Arnold, Project Coordinator

Jim Flanagan, Gas Area Engineer

Randy Risen, Gas Pipeline Compliance Consultant

Heather Risley, Manager, Pipeline Compliance & Standards

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

Evaluator Notes:

Yes, Xcel Energy representatives, Randy Risley and Sharon Arnold, were notified one month in advance of the inspection.

- 3 Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) (F3) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, PSCWI standard inspection format located on their laptop computer was used during the inspection. Notes and other related information was recorded during the audit.

- 4 Did the inspector thoroughly document results of the inspection? (F4) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, this writer observed notes and documentation on answers provided by Xcel Energy representatives to compliance questions being recorded into inspection form.

- 5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps,pyrometer,soap spray,CGI,etc.) (F5) 1 1  
Yes = 1 No = 0

Evaluator Notes:

Yes, Xcel Energy personnel provided file folders containing records and documentations on maintenance work performed by company representatives.

- 6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) (F7) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

a. Procedures

☒

b. Records

☒

c. Field Activities

☒



d. Other (please comment)

☐

Evaluator Notes:

No field inspection was performed during this site visit. The field portion of the inspection was performed prior to this visit and noted in the standard inspection form document.

7 Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) (F8)

2

2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. No issues.

8 Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) (F9)

1

1

Yes = 1 No = 0

Evaluator Notes:

Yes, the inspector identified seven violations and discussed each with the company representatives.

9 During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable) (F10)

1

1

Yes = 1 No = 0

Evaluator Notes:

Yes, the violations were review with the company representatives during and after the inspection.

10 General Comments: What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) Other.

Info Only = No Points

- a. Abandonment
- b. Abnormal Operations
- c. Break-Out Tanks
- d. Compressor or Pump Stations
- e. Change in Class Location
- f. Casings
- g. Cathodic Protection
- h. Cast-iron Replacement
- i. Damage Prevention
- j. Deactivation
- k. Emergency Procedures
- l. Inspection of Right-of-Way
- m. Line Markers
- n. Liaison with Public Officials
- o. Leak Surveys
- p. MOP
- q. MAOP
- r. Moving Pipe
- s. New Construction
- t. Navigable Waterway Crossings
- u. Odorization
- v. Overpressure Safety Devices
- w. Plastic Pipe Installation
- x. Public Education
- y. Purging
- z. Prevention of Accidental Ignition

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|----|-----------------------------|-------------------------------------|
| A. | Repairs                     | <input type="checkbox"/>            |
| B. | Signs                       | <input type="checkbox"/>            |
| C. | Tapping                     | <input type="checkbox"/>            |
| D. | Valve Maintenance           | <input checked="" type="checkbox"/> |
| E. | Vault Maintenance           | <input type="checkbox"/>            |
| F. | Welding                     | <input type="checkbox"/>            |
| G. | OQ - Operator Qualification | <input checked="" type="checkbox"/> |
| H. | Compliance Follow-up        | <input type="checkbox"/>            |
| I. | Atmospheric Corrosion       | <input checked="" type="checkbox"/> |
| J. | Other                       | <input checked="" type="checkbox"/> |

Evaluator Notes:

Regulator and relief valve settings were reviewed along with the items listed above.

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Total points scored for this section: 12  
Total possible points for this section: 12



**PART H - Interstate Agent State (If Applicable)****Points(MAX)    Score**

- |          |   |   |    |
|----------|---|---|----|
| <b>1</b> | Did the state use the current federal inspection form(s)? (C1)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

The Public Service Commission of Wisconsin is not an interstate agent.

- |          |  |   |    |
|----------|--|---|----|
| <b>2</b> | Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? (C2)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

The Public Service Commission of Wisconsin is not an interstate agent.

- |          |   |   |    |
|----------|---|---|----|
| <b>3</b> | Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? (C3)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

The Public Service Commission of Wisconsin is not an interstate agent.

- |          |  |   |    |
|----------|--|---|----|
| <b>4</b> | Were probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (C4)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

The Public Service Commission of Wisconsin is not an interstate agent.

- |          |  |   |    |
|----------|--|---|----|
| <b>5</b> | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (C5)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

The Public Service Commission of Wisconsin is not an interstate agent.

- |          |   |   |    |
|----------|---|---|----|
| <b>6</b> | Did the state give written notice to PHMSA within 60 days of all probable violations found? (C6)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

The Public Service Commission of Wisconsin is not an interstate agent.

- |          |  |   |    |
|----------|--|---|----|
| <b>7</b> | Did the state initially submit documentation to support compliance action by PHMSA on probable violations? (C7)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

The Public Service Commission of Wisconsin is not an interstate agent.

- |          |  |           |           |
|----------|--|-----------|-----------|
| <b>8</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:

The Public Service Commission of Wisconsin is not an interstate agent.

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

**PART I - 60106 Agreement State (If Applicable)****Points(MAX)    Score**

- |          |  |   |    |
|----------|--|---|----|
| <b>1</b> | Did the state use the current federal inspection form(s)? (B21)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

The Public Service Commission of Wisconsin does not have a 60106 agreement.

- |          |  |   |    |
|----------|--|---|----|
| <b>2</b> | Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan? (B22)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

The Public Service Commission of Wisconsin does not have a 60106 agreement.

- |          |   |   |    |
|----------|---|---|----|
| <b>3</b> | Were any probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (B23)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

The Public Service Commission of Wisconsin does not have a 60106 agreement.

- |          |   |   |    |
|----------|---|---|----|
| <b>4</b> | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (B24)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

The Public Service Commission of Wisconsin does not have a 60106 agreement.

- |          |  |   |    |
|----------|--|---|----|
| <b>5</b> | Did the state give written notice to PHMSA within 60 days of all probable violations found? (B25)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

The Public Service Commission of Wisconsin does not have a 60106 agreement.

- |          |  |   |    |
|----------|--|---|----|
| <b>6</b> | Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? (B26)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
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Evaluator Notes:

The Public Service Commission of Wisconsin does not have a 60106 agreement.

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|----------|--|-----------|-----------|
| <b>7</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:

The Public Service Commission of Wisconsin does not have a 60106 agreement.

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