



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

1200 New Jersey Avenue SE  
Washington DC 20590

## 2015 Gas State Program Evaluation

for

MICHIGAN 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)



# 2015 Gas State Program Evaluation -- CY 2015

Gas

**State Agency:** Michigan

**Agency Status:**

**Date of Visit:** 06/28/2016 - 08/25/2016

**Agency Representative:** David Chislea, Manager Gas Operations

**PHMSA Representative:** Rex Evans

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

**Name/Title:** Sally Talberg, Chairman

**Agency:** Michigan Public Service Commission

**Address:** PO Box 30221

**City/State/Zip:** Lansing, MI 48909

**Rating:**

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

## 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 2015 (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.

## 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.

## 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	10
13	13
50	49
15	13
11	10
8	8
12	12
7	7
0	0

### TOTALS

**126 122**

**State Rating ..... 96.8**

## PART A - Progress Report and Program Documentation Review

Points(MAX) Score

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

Evaluator Notes:  
no issues with information reviewed

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

Evaluator Notes:  
Reviewed database information provided which outlined each employees daily activity for inspections. Stats on inspections report.

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

Evaluator Notes:  
no issues

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

Evaluator Notes:  
All matched information in PDM

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

Evaluator Notes:  
Information reviewed matched summary of outstanding and completed compliance actions.

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

Evaluator Notes:  
Information reviewed showed improvement from previous evaluation as far as accumulating and presenting inspection information - full points given. Recommend assuring that all employees can navigate the inspection system.

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

Evaluator Notes:  
No issues, previous employees were listed, but notes were made and discussed ways to make sure accurate next time.

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

Evaluator Notes:  
no issues

9 List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:  
very comprehensive, no issues

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10 General Comments: Info OnlyInfo Only  
Info Only = No Points

Evaluator Notes:

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



## PART B - Program Inspection Procedures

Points(MAX) Score

- |   |  |   |   |
|---|--|---|---|
| 1 | Standard Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 2 | 2 |
|---|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Section 2.11 - Part 1 and Pre-Post and Inspection Activities covered for all Section 2.10, 2.11, 2.17

- |   |  |   |   |
|---|--|---|---|
| 2 | IMP and DIMP Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section 2.11 - Part 4 and Pre-Post and Inspection Activities covered for all Section 2.10, 2.11, 2.17

- |   |  |   |   |
|---|--|---|---|
| 3 | OQ Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section 2.11 - Part 5 - and Pre-Post and Inspection Activities covered for all Section 2.10, 2.11, 2.17

- |   |   |   |   |
|---|---|---|---|
| 4 | Damage Prevention Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section 2.11 - Part 7 and Pre-Post and Inspection Activities covered for all Section 2.10, 2.11, 2.17

- |   |  |   |   |
|---|--|---|---|
| 5 | Any operator training conducted should be outlined and appropriately documented as needed. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section 2.11 - Part 3 - and Pre-Post and Inspection Activities covered for all Section 2.10, 2.11, 2.17

- |   |  |   |   |
|---|--|---|---|
| 6 | Construction Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section 2.11 - Part 2 - and Pre-Post and Inspection Activities covered for all Section 2.10, 2.11, 2.17

- |   |   |   |   |
|---|---|---|---|
| 7 | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? | 6 | 6 |
|---|---|---|---|

Yes = 6 No = 0 Needs Improvement = 1-5

- |    |   |                                      |                          |   |
|----|---|--------------------------------------|--------------------------|---|
| a. | Length of time since last inspection (Within five year interval)  | 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 <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| f. | Are inspection units broken down appropriately?   | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

Section 3.1 #1-3.

## 8 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

Total points scored for this section: 13  
Total possible points for this section: 13



## 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 5 5  
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):  
792.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
220 X 7.73 = 1699.87

Ratio: A / B  
792.00 / 1699.87 = 0.47

If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0  
Points = 5

Evaluator Notes:

No issues

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 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"/> |
| e. | Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

Training appears to have no issues, Discussed need to make sure OQ seminar is taken by all employees three years from end of CY2015. Also recommend reviewing curriculum and making sure more employees are training on IMP

- 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 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

No issues

- 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 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Letter went out July 8th and response was September 9, 2016. An extension for response was given for five days so response was considered on time. All issues have been addressed adequately although repeat issue of resolving compliance activities is still outstanding.

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

Evaluator Notes:

September 9-10, 2014 and holding one in September 2016

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

Evaluator Notes:

Although processes are in place to correct issues in next four year inspection cycle it appears that gaps are still present in assuring all parts of inspection are completed, specifically field portion of inspection. Specific example was with Consumers energy - Flint Inspection unit where no records appear to have completed field inspection on corrosion activities within that unit. Also limited field inspection on corrosion activities on DTE inspection unit Lynch/Allen where a great deal of steel pipe is in ground and it's apparent more in depth inspections of DTE corrosion program need to occur. No inspection for a fairly new operator - Wellmaster - but since just identified inspection cycle is not complete.

- |   |   |   |   |
|---|---|---|---|
| 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?<br>Chapter 5.1<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

All code requirements appear present and forms were complete - better notes should be taken on some inspections to clarify what exactly happened during inspections to complete file. Fields have been added on current inspection database to ensure Field, Record and OM activities are covered.

- |   |  |   |   |
|---|--|---|---|
| 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?<br>(NTSB) Chapter 5.1<br>Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

Consumers and DTE - This is included on Michigan Cycle A - Inspection, last completed First Half of 2013, information is included on checklist.

- |   |  |   |   |
|---|--|---|---|
| 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<br>Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

Consumers and DTE - This is included on Michigan Cycle A - Inspection, last completed First Half of 2013, information is included on checklist.

- |    |   |   |   |
|----|---|---|---|
| 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<br>Yes = 1 No = 0 | 1 | 1 |
|----|---|---|---|

Evaluator Notes:

Covered on second half 16 inspections, question is placed on checklist. No issues.

- |    |  |   |   |
|----|--|---|---|
| 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<br>Yes = 1 No = 0 | 1 | 1 |
|----|--|---|---|

Evaluator Notes:

Part of first half 2013 inspections. And covered under 192.617

- |    |  |   |   |
|----|--|---|---|
| 12 | 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 report information has been reviewed. Individual review sheets are done for each operator.



- 13** Did state input all applicable OQ, DIMP/IMP inspection results into federal database in a timely manner? This includes replies to Operator notifications into IMDB database. 2 2  
Chapter 5.1  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Information appears to be uploaded regularly and no issues.

- 14** Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission? 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

This is done in inspection Cycle D - Last half 2014 inspections last completed.

- 15** 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 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Those are up to date and on schedule for second half of CY2016 inspections. No issues at this time. Discussed use of PHMSA Form-13.

- 16** 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 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

OQ plans appear to be either done or in process. No issues.

- 17** 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 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Program reviews appear to be up to date and no issues.

- 18** 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 DIMP ? First round of program inspections should have been complete by December 2014 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

No issues, recommend making part of annual review with transmission IMP issues especially with large operators.

- 19** 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) PAPEI Effectiveness Inspections should be conducted every four years per RP1162 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

No issues, doing next round in second half CY2016 inspections.

- 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). 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

No issues but recommend looking at other states websites for improvement.

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

Evaluator Notes:

No issues - keeps monthly updates - also communicates with region adequately

- 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? 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

This is done Cycle A - previously done last half of CY2013.

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

Evaluator Notes:

No issue

- 24 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. 1 1  
No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

Went through evaluation of special permits in CY2015 found consumers Energy with only ones left. In process of evaluating a waiver with Consumers on expanding 5 year leak survey (normal 3 year) on copper services lines which Consumers still has 163000 +/- active.

- 25 Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated? 1 1  
No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

Yes, Dave attending mtg in Tempe AZ in CY2015.

- 26 Discussion on State Program Performance Metrics found on Stakeholder Communication site - <http://primis.phmsa.dot.gov/comm/states.htm> 2 2  
No = 0 Needs Improvement = 1 Yes = 2

- a. Discussion of Potential Accelerated Actions (AA's) based on any negative trends Yes ☒ No ☐ Needs Improvement ☐  
b. NTSB P-11-20 Meaningful Metrics Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Reviewed metrics and had discussion. No issues at this time.

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

Evaluator Notes:

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Total points scored for this section: 49  
Total possible points for this section: 50



## PART D - Compliance Activities

Points(MAX) Score

- |          |  |                                      |  |
|----------|--|--------------------------------------|--|
| <b>1</b> | 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 = 4 No = 0 Needs Improvement = 1-3 | 4                                    | 4  |
| a.       | Procedures to notify an operator (company officer) when a noncompliance is identified  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b.       | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Process and procedures are outline in chapter 5 of Program Procedures. Should probably enhance routine review of progress due to actual activity deficiencies in next question.

- |          |  |                                      |   |
|----------|--|--------------------------------------|---|
| <b>2</b> | 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<br>Yes = 4 No = 0 Needs Improvement = 1-3 | 4                                    | 2   |
| a.       | Were compliance actions sent to company officer or manager/board member if municipal/government system?  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/>            |
| b.       | Document probable violations   | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/>            |
| c.       | Resolve probable violations  | Yes <input type="radio"/>            | No <input type="radio"/> Needs Improvement <input checked="" type="radio"/> |
| d.       | Routinely review progress of probable violations   | Yes <input type="radio"/>            | No <input type="radio"/> Needs Improvement <input checked="" type="radio"/> |
| e.       | Were applicable civil penalties outlined in correspondence with operator(s)  | Yes <input type="radio"/>            | No <input type="radio"/> Needs Improvement <input checked="" type="radio"/> |

Evaluator Notes:

Compliance actions were reviewed, There were 510 compliance issues to be corrected as noted at end of CY2015. Needs improvement on resolution to probable violations and routinely reviewing. Some letters on probable violations found in CY2015 have not went out yet and are still pending and serious general backlog. Several probable violations have been closed but not removed from list. Also need to add applicable civil penalties in outgoing correspondence.

- |          |  |   |   |
|----------|--|---|---|
| <b>3</b> | Did the state issue compliance actions for all probable violations discovered?<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

No issues with issuing compliance actions and does a good job of discovering violations, just need to improve timing and backlog as noted in previous question.

- |          |   |   |   |
|----------|---|---|---|
| <b>4</b> | Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary.<br>Yes = 2 No = 0 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

No issues

- |          |   |   |   |
|----------|---|---|---|
| <b>5</b> | 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

Yes, and civil penalties have been considered. Previous fines and current fine pending on Consumers for incident. no issues.

- |          |   |   |   |
|----------|---|---|---|
| <b>6</b> | Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

Yes, Michigan has previously used fining authority. No issues.

7 General Comments:

Info Only = No Points

Evaluator Notes:

Info OnlyInfo Only

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Total points scored for this section: 13  
Total possible points for this section: 15



## PART E - Incident Investigations

Points(MAX) Score

- 1 Does the state have written procedures to address state actions in the event of an incident/accident? 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, included in Sections 6 and 7 of state procedures. No issues.

- 2 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 2 2

Yes = 2 No = 0 Needs Improvement = 1

- a. Acknowledgement of MOU between NTSB and PHMSA (Appendix D) Yes ☒ No ☐ Needs Improvement ☐
- b. Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

State has mechanism where list is published of list of staff contacts and operators are informed of who to contact. All incident records are kept adequately.

- 3 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 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

No issues, all incidents appear to have been responded to appropriately

- 4 Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? 3 2

Yes = 3 No = 0 Needs Improvement = 1-2

- a. Observations and document review Yes ☐ No ☐ Needs Improvement ☒
- b. Contributing Factors Yes ☒ No ☐ Needs Improvement ☐
- c. Recommendations to prevent recurrences when appropriate Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Incidents all appear investigated and documented although serious backlog in getting reports issued with findings and information communicated to company.

- 5 Did the state initiate compliance action for violations found during any incident/accident investigation? 1 1

Yes = 1 No = 0

Evaluator Notes:

Yes, compliance actions issued although backlog of pending issues needing resolution but full points on this question.

- 6 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 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

No issues and feedback from region shows program is communicating well and resolving issues

- 7 Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPS Region meetings, state seminars, etc) 1 1

Yes = 1 No = 0

Evaluator Notes:

Yes, lessons learned are communicated

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**8** General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

As noted above, all incidents appear to be addressed and only issue is with backlog of getting findings of incidents communicated and any compliance actions associated with those incidents resolved

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Total points scored for this section: 10  
Total possible points for this section: 11



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

Evaluator Notes:

This is part of Cycle H - - part of second half CY2016 inspections.

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

Evaluator Notes:

Part of Cycle H - Part of 192.614 inspections. Field checks of marks are done in conjunction with other inspections. No issues

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

Evaluator Notes:

State passed damage prevention Act 174. Does various presentations and communications and takes part in statewide damage prevention activities. No issues.

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

Evaluator Notes:

Yes, data collected and communicated on state damages. No issues.

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

Evaluator Notes:

No issues

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



## PART G - Field Inspections

Points(MAX) Score

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

Name of Operator Inspected:

Superior Energy 6/28/16, DTE Energy 6/29/16, Jordan Development 6/30/16

Name of State Inspector(s) Observed:

Tim Wolf

Location of Inspection:

Superior, MI and Traverse City Area

Date of Inspection:

6-28 to 6-30-16

Name of PHMSA Representative:

Rex Evans

Evaluator Notes:

Standard Inspection of Superior Energy on 6-28-16, Construction Inspection of DTE Energy on 6-29-16 and Standard Inspection of Jordan Development on 6-30-16

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

Evaluator Notes:

Yes, operator was present at all inspections. No issues.

- 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) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

yes, appropriate checklists were used and completed checklists and forms were sent and reviewed post inspection

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

Evaluator Notes:

Yes, reports were reviewed and no issues found

- 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.) 1 1  
Yes = 1 No = 0

Evaluator Notes:

Yes - no issues during DTE construction inspection 6-29-16

- 6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) 2 2  
Yes = 2 No = 0 Needs Improvement = 1
- a. Procedures ☒
  - b. Records ☒
  - c. Field Activities ☒
  - d. Other (please comment) ☐

Evaluator Notes:

All inspections appeared to adequately review applicable regulations set forth in the inspection. MI splits inspections in a four year cycle to complete entire system.

7	Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:

No issues - adequate knowledge of regulations

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 No = 0	1	1
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Evaluator Notes:

Satisfactory for areas covered during inspection

9	During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable) Yes = 1 No = 0	1	1
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Evaluator Notes:

Yes, and still pending program action

10	General Comments: 1) What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) 2) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 3) Other.	Info Only	Info Only
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Info Only = No Points

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

- |    |                             |                                     |
|----|-----------------------------|-------------------------------------|
| E. | Vault Maintenance           | <input type="checkbox"/>            |
| F. | Welding                     | <input checked="" type="checkbox"/> |
| G. | OQ - Operator Qualification | <input checked="" type="checkbox"/> |
| H. | Compliance Follow-up        | <input type="checkbox"/>            |
| I. | Atmospheric Corrosion       | <input type="checkbox"/>            |
| J. | Other                       | <input type="checkbox"/>            |

Evaluator Notes:

Superior energy - Field review of overpressure protection at Brown 19 regulating station. New service installation at 450 Michigan Ave in Traverse City - plastic service line with welded T on steel main. General review of 4" plastic main boring activities on Long Lake Drive. Jordan Development was office only review of records. No issues

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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)?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

Yes. MI is very diligent in utilizing IA and the applicable forms within IA

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

Evaluator Notes:

Yes. MI does an excellent job in the inspection of the units (systems) that are assigned to them. They always ensure that the directives are in the plan and always submit the plans to Greg and Hans for approval before proceeding with the inspection.

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

Evaluator Notes:

Yes....MI submits their inspection PIMs within 60 days of the last inspection done on that system.

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

Evaluator Notes:

Yes. MI's inspections are very thorough and they find numerous issues and concerns. The last ANR inspection conducted by MI identified 44 items of concern.

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

Evaluator Notes:

Yes. If MI has identified an area of concern that needs immediate attention, they have contacted Central Region personnel for advice on how to proceed.

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

Evaluator Notes:

Yes. All concerns identified by the state are submitted within 60 days of the last inspection of the unit in the system.

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

Evaluator Notes:

Yes....MI always includes support documentation for the concerns identified in their inspections.

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

Evaluator Notes:

Per Hans Sheih - Central Region. MI has been great to work with as an interstate agent. They are responsive to the accident team when they are contacted and they are very responsive when working with Central Region on SRC's.

Total points scored for this section: 7

Total possible points for this section: 7



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

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

- |          |   |   |    |
|----------|---|---|----|
| <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?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

Section not applicable

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