



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

1200 New Jersey Avenue SE
Washington DC 20590

2014 Gas State Program Evaluation

for

MN Office of Pipeline Safety

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)



2014 Gas State Program Evaluation -- CY 2014

Gas

State Agency: Minnesota

Agency Status:

Date of Visit: 07/27/2015 - 08/07/2015

Agency Representative: Jon Wolfgram

PHMSA Representative: Patrick Gaume

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

Name/Title: Ramona L. Dohlman, Commissioner

Agency: Minnesota Department of Public Safety

Address: 445 Minnesota Street, Suite 1000

City/State/Zip: Saint Paul, Minnesota 55101-5155

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 2014 (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

Possible Points Points Scored

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)

10	10
13	13
46	45
15	15
11	11
8	8
12	12
7	7
0	0

TOTALS

122 121

State Rating

99.2

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 1 | Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

A1. Yes, Attachment 1 is in agreement with Attachment 3 & 8, and is consistent with internal records.

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

Evaluator Notes:

A2. Yes, Attachment 2 is consistent with internal records. 930.39 inspection-days-NG

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

Evaluator Notes:

A3. Yes, Attachment 3 is in agreement with Attachment 1, and is consistent with internal records

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

Evaluator Notes:

A4. Yes, Attachment 4 is consistent with internal records.

- | | | | |
|---|--|---|---|
| 5 | Accuracy verification of Compliance Activities - Progress Report Attachment 5
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

A5. Yes, okay enough. Attachment 5 will be amended to include a notation that the interstate PV was dismissed by Central Region, and the 'Number corrected during the Calendar Year' will be changed from 0 to 1 to avoid confusion.

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

Evaluator Notes:

A6. Yes, Files listed in Attachment 6 can all be found in MNOPS database and network drive.

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

Evaluator Notes:

A7. Yes. Attachment 7 as received from TQ is corrected to MNOPS records and shared back with TQ to update their records. 9.71 inspector person-years charged to the NG program.

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

Evaluator Notes:

A8. Yes, Attachment 8 is in agreement with Attachment 1, and is consistent with internal records. Noted that 198 is not specifically mentioned in MN Laws, but Federal Grants are well addressed under MN Statute '299F.64 FEDERAL MONEY'.

- 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:

A9. Yes. Attachment 10 well identifies the goals and accomplishments of MNOPS in CY 2014. It is interesting that they present the information in bullet format as opposed to paragraph format.

10 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

A10. Yes. The Progress Report accurately showed the work performed by MNOPS. A particular accomplishment was the highly successful Pipeline Safety Seminar that had 323 industry attendees. Several feedback forms indicated that it was informative and well received.

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:

B1. Yes. See MNOPS Operating Guidelines Manual, Sec 5 & Appendix 1

- | | | | |
|---|--|---|---|
| 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:

B2. Yes. See MNOPS Operating Guidelines Manual, Sec 5 & Appendix 1

- | | | | |
|---|--|---|---|
| 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:

B3. Yes. See MNOPS Operating Guidelines Manual, Sec 5 & Appendix 1

- | | | | |
|---|---|---|---|
| 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:

B4. Yes. See MNOPS Operating Guidelines Manual, Sec 5 & Appendix 1

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

B5. Yes. See MNOPS Operating Guidelines Manual, Sec 5

- | | | | |
|---|--|---|---|
| 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:

B6. Yes. See MNOPS Operating Guidelines Manual, Sec 5 & Appendix 1

- | | | | |
|---|---|---|---|
| 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:

B7. Yes. See MNOPS Operating Guidelines Manual, Sec 5, Appendix 1, and the 'Inspection Plan' in the Database

8 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

B8. Yes. The MNOPS Operating Guidelines Manual was extensively reviewed and updated in early 2015. This work was the result of the work of a Committee of seven OPS employees, and reflected their collaborative knowledge, skills, & abilities. The document outlines the organizations internal processes and procedures.

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):
930.39

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 9.71 = 2136.02

Ratio: A / B
930.39 / 2136.02 = 0.44

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

Evaluator Notes:

C1. Yes, 930.39 inspection-days, 9.71 inspector-years charged to the program, $930.39/(9.71*220)=0.436$, $>.38$, okay.

- 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:

C2. Yes*5. In 2014, 7 of 14 total inspectors had less than 3 years' experience so the Training Budget was dedicated to sending staff to TQ classes in OKC.

- 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:

C3. Yes. Jon has been Program Manager for 3 years and was an inspector for 3 years before that. He demonstrates the necessary knowledge, skills, & abilities for the Program Manager position.

- 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:

C4. Yes, Chairman letter was Dec 2, 2014 and the response was Dec 11, 2014. The response addressed both issues.

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

Evaluator Notes:

C5. Yes. Every year; in April 2013, April 2014, & April 2015. One is scheduled for April 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:

C6. NI, 4 of 5 points; 76 total operators; OQ-Understood the necessity to do program re-inspections every 5 years during the

2014 Evaluation and managed to perform and upload 14 OQ program inspections in 2014. They have an aggressive plan to perform 44 OQ Program inspections in 2015. They will likely complete the OQ re-inspections in 2016. Standard and short form D&A are current. Long Form D&A are now scheduled for all of the applicable operators, they plan for 32 long Form D&A inspections in 2015, and expect to be current by 2017. DIMP-63 operators; 45 DIMP inspections are loaded. Others have been done but are not yet loaded. They expect to have performed DIMP on all operators that were listed in 2013 by 2016. TIMP-20 operators, 17 have no HCA, the other 3 are being reviewed for completeness. 9 have been uploaded into the federal database since 2011. LIMP-3 operators, all have HCA/USA; their IMP inspections are being uploaded into IA. PAPEI-72 PAPEI inspections have been performed but only 2 are showing in the federal database, both are for NG operators.

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

Evaluator Notes:

C7. Yes. Reviewed several NG & HL inspections. All were complete and the letters were consistent with what was found during the inspections. The inspection files reviewed were: for Natural Gas - 27648383, 50518774, 27651291, 50543392, and for Hazardous Liquid ? 50516369, 27691254, 50508154.

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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
Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

C8. Yes, is on the Standard Inspection Forms, see 195.553, 192.457. Also send out a Request For Specific Information (RSI) to the operator that has cast iron. Centerpoint Energy has 7.1 miles of cast iron remaining, and is on track to have it removed by 2019.

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|---|--|---|---|
| 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
Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

C9. Yes, Centerpoint's cast iron replacement plan is reviewed many times per year; during inspections, RSI, & incident followup.

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|----|---|---|---|
| 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
Yes = 1 No = 0 | 1 | 1 |
|----|---|---|---|

Evaluator Notes:

C10. Yes, is part of Standard inspections and incident investigations. See questions under 192.615 (A), and questions 5 & 6 on the MNOPS incident form.

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|----|--|---|---|
| 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
Yes = 1 No = 0 | 1 | 1 |
|----|--|---|---|

Evaluator Notes:

C11. YES. it is on the Std Insp Form, per 192.617, and is reviewed during incidents.

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

Evaluator Notes:

C12. Yes, See MNOPS Manual, Chapter 5 & Appendix 1. Data from the annual reports is used to determine specific areas of focus for inspections.

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

Evaluator Notes:

C13. Yes. The OQ & IMP information was uploaded into the federal databases in a timely manner.

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

Evaluator Notes:

C14. Yes, usually under Standard inspections see 192.605(b)(3) & 195.402(c)(1). In addition, MNOPS has an IT employee who does a GIS review of each operator annually and correlates operator maps to NPMS.

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

Evaluator Notes:

C15. Yes. The Drug and Alcohol Program requests each operator return a Self-Assessment form (modeled after the Federal Form)

*Most Operators D&A Programs are monitored thru a Consortium; MIS data is available to the Feds and States upon request. Currently MIS data to the state is voluntary.

* Consortium data on Positive test results is relayed to the operator and the Consortium fills out the MIS form for the operator. The Self-Assessment data from the operator has the MRO, SAP, Lab and EAP information. This office follows the regulations requirement of anonymity of EAP participants.

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|-----------|---|---|---|
| 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
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

C16. Yes. MNOPS is actively performing and uploading OQ inspections, both Program Inspections and Field Inspections. The OQ Lead is Claude Anderson.

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

Evaluator Notes:

C17. Yes. TIMP inspections are current.

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|-----------|--|---|---|
| 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 be complete by December 2014
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

C18. Yes. The first round of DIMP inspections were complete by 12/31/2014.

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- | | | | |
|-----------|---|---|---|
| 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 have been completed by December 2013
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

C19. Yes. Okay enough. MNOPS has records of their PAPEI inspections & they are complete. However, only two PAPEI have been uploaded unto the Federal database. Jon was strongly advised to get the rest of the PAPEI uploaded.

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

Evaluator Notes:

C20. Yes.
Enforcement is published on MNOPS homepage
Spring Conference annually (instead of every 3 years)
DPP Presentations
Holiday Mailings
Annual MS216D Review meetings
MN Farm Fest
Utility Coordination Committees
Common Ground Alliance presentation
811 governors proclamation posted on website
Public meetings to discuss DP initiatives
DP trends and analysis presentation at MNOPS Conference
GSOC Communications Committee and Operations Committee
contribution to the one-call center newsletter (published quarterly) ? See GSOC website under newsletter

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

C21. Yes. The SRCR are current.

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

Evaluator Notes:

C22. Yes. MNOPS completed review of all operator DIMP plans. MNOPS utilized PHMSA DIMP guide material to aid in conducting the inspections. The review of DIMP plans looked at applicable threats to pipeline systems which would include follow up to potentially problematic materials including plastics. DIMP additionally requires operators to capture material information for newly constructed lines making follow up to problematic materials to more easily be address. Some Minnesota operators have adopted programs where existing materials are recorded in the event a line is exposed. DIMP Reference Guide Questions (#9,#10,#12,#13, #16, #17)
MNOPS continues to work with Great Plains Natural Gas regarding replacement of its PVC piping. There have been numerous damages to this brittle material
MNOPS is in the process of working with Sheehan Gas to determine if Century Pipe has been replaced.

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

Evaluator Notes:

C23. Yes, MNOPS is active in NAPS and responds to all NAPS requests.

- 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.(New Question for CY2013, no points until CY2015 evaluation conducted in CY2016) 0 0
Info Only = No Points

Evaluator Notes:

C24. Yes. MNOPS issued waivers in the past but they are all closed. MNOPS issued one waiver in 2014 that is still active: to Centerpoint Energy to waive 192.939 to waive re-assessment of certain old coupled pipe in favor of accelerated replacement of that pipe (by 2020).

- 25 Did the state attend the National NAPS Board of Directors Meeting in CY being evaluated? (New Question for CY2014, no points first year) 0 0
Info Only = No Points

Evaluator Notes:

C25. No. MNOPS did not have a representative at National NAPS in 2014. Jon is scheduled to attend National NAPS in 2015.

- 26 Discussion on State Program Performance Metrics found on Stakeholder Communication site. (question will be rolled up and included as part of Question C12 on future evaluations) <http://primis.phmsa.dot.gov/comm/states.htm> 0 0
Info Only = No Points

Evaluator Notes:

C26. Yes. MNOPS has seen the report and made a preliminary review. The data seems consistent with MNOPS data. More years of information is required for meaningful trending work.

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

Evaluator Notes:

C27. Yes. The 2014 inspection plan focused on completion of DIMP inspection and IMP inspections. This was driven by the PHMSA requirement to complete the inspection by completion of the 2014 calendar year. The inspections focused on working with the operators to ensure DIMP procedures were in compliance with regulations. With new staff coming on board, the DIMP inspections allow for the inspectors to become educated on the operators system and procedures. The MNOPS manual was modified and improved for 2015 to incorporate procedures for pre-inspection, inspection and post-inspection activities.
Additional planning processes were modified to work to allow for inspectors to have an operator view of leaks/risk scores and a global view for comparison. Various spreadsheets were created to provide a graphical view for inspectors to utilize for conducting field and record and other types of inspections. Specialty inspections, IMP, DIMP, CRM, PAPEI, OQ, Construction, Accident/Incident impact the scope of work starting in 2013 and scheduling these specialty inspections impacts available inspection resources.

Total points scored for this section: 45
Total possible points for this section: 46

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
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:

D1. Yes, MNOPS Manual, Chapter 11, Administrative Processes, (see 11.5.3), also Chapter 5.2.1.3 Director Review, Also MN Statutes 14.50-14.69.

- | | | | |
|----------|--|---|---|
| 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
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| 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. | Were probable violations documented? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Were probable violations resolved? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Was the progress of probable violations routinely reviewed? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

D2. Yes, Procedures were followed.

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

Evaluator Notes:

D3. Yes, several inspections were reviewed and violations documented in the inspection report were reflected in the NOPV Letters.

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

Evaluator Notes:

D4. Yes, Due process was given to all parties.

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

Evaluator Notes:

D5. Yes, the program manager and senior staff know the processes for issuing civil penalties.

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

Evaluator Notes:

D6. Yes. Civil penalties were assessed and collected against certain NG operators in 2014. The process is the same for HL operators.

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

Evaluator Notes:

D7. The Minnesota procedures and statutes for processing violations are fully matured and utilized processes. The processes have been in existence since 1989 and are used to facilitate a wide range of enforcement options from Warning Letters to Civil Penalties as needed.

Total points scored for this section: 15
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:

E1. Yes. See MNOPS Operating Guidelines Manual, Sec 5, Sec 6, & Appendix 1. Also see Sec 11.8 'Reportable Events Policy'

- 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:

E2. Yes. MNOPS is very cooperative with PHMSA, Central Region, and is familiar with Appendix E of the State Guidelines

- 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:

E3. Yes. MNOPS generally makes site visits to significant incident/accidents, and if unable to visit the site, will gather necessary information telephonically and by e-mail, and by other means.

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

E4. Yes. Several of the incidents/accidents were reviewed and were found to be complete and internally consistent.

- 5 Did the state initiate compliance action for violations found during any incident/accident investigation? 1 1
Yes = 1 No = 0

Evaluator Notes:

E5. Yes. 13 of the 19 total violations found in 2014 were related to incidents. No accident violations were found in 2014.

- 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:

E6. Yes. MN is an Interstate Agent Program.

- 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:

E7. Yes. MNOPS shares incident/accident information at the NAPS Regional meeting, and in industry meetings.

8 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

E8. MNOPS routinely conducts on-site investigations throughout the state in follow up to both intrastate and interstate accidents/incidents. This allows MNOPS to ensure operators are making the area safe during a response, following applicable procedures/regulations, and that steps are taken to prevent recurrence of failures.

Total points scored for this section: 11

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

Evaluator Notes:

F1. Yes. This question is addressed during Standard and DIMP inspections, and a MNOPS alert notice was issued to all operators.

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

Evaluator Notes:

F2. Yes. 192.614 is addressed during every Standard Inspection, and during Damage Prevention Inspections.

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

Evaluator Notes:

F3. Yes.

1. At the 2015 MNOPS hosted spring conference; MNOPS hosted sessions relating to Damage Prevention, specifically the quarterly Regional MNCGA meeting.
 2. MNOPS continues to actively engage in both CGA and MNCGA discussions to implement best practices amongst stakeholders (National CGA conference, MNCGA quarterly meetings, and MNCGA sub-committee meetings. MNOPS currently serves as chair for the MNCGA Best Practices committee and Agricultural Awareness Committee.
 3. MNOPS continues to promote use of MNCGA's website for stakeholders to register for annual Damage Prevention meetings and as a resource for up-to-date information on best practices and knowledge sharing.
 4. MNOPS presented its damage prevention case studies at 56 'Diggers Meetings' throughout Minnesota in an effort to educate pipeline operators, utility operators and excavators on excavation best practices in MN.
 5. MNOPS website is linked to CGA best practices
- MNOPS now has implemented a no locate initiative based on its mandatory damage reporting ? a CGA best practice.

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

Evaluator Notes:

F4. Yes. The line hit information is gathered, compiled, reviewed, and compared year to year.

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|---|--|-----------|-----------|
| 5 | General Comments:
Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|

Evaluator Notes:

F5. MNOPS is focused on damage prevention through education and enforcement of regulations. Data is collected to determine trends and to utilize the information to drive damages downward.

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:

1. Minnesota Energy Resources 2. Center Point 3. Xcel Energy

Name of State Inspector(s) Observed:

1. Silvia Schwarz 2. Kevin Streeter 3. Jeff Blackwell

Location of Inspection:

1. Albert Lee, MN 2. Edina, MN 2. White Bear Lake, MN

Date of Inspection:

1. 8/4/2015 2. 8/4/2015 3. 8/5/2015

Name of PHMSA Representative:

Michael Thompson

Evaluator Notes:

Observed field portion of standard inspection. Valves, CP reads, Rectifier station inspections, Regulator station Inspections, Stream Crossing inspection and Right of Way inspections.

- 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:

1, 2 and 3. All operators were notified and given an opportunity to be present. All operators had field personnel, supervisors and compliance representatives present during the inspections.

- 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:

1. Inspector used an electronic form to guide the inspection and was then going to transfer the notes to the final inspection form.
2. The inspector used an appropriate form to guide the inspection and kept hand written notes for documentation.
3. The inspector used an appropriate form as a check list and to guide the inspection.

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

Evaluator Notes:

Yes, all inspectors either used a tablet or written notes to document their inspections . They all used their cell phone cameras to document findings and physical assets, (regulators, valves, locking devices etc)

- 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, all equipment used by the operators during the inspection was checked.

- 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:

Yes, procedures and field activities were reviewed during the part of the inspection that was observed. Records were reviewed earlier in the inspection.

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

2

2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, all three inspectors showed that they have adequate knowledge of the pipeline safety program and the 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)

1

1

Yes = 1 No = 0

Evaluator Notes:

Yes, Exit interviews were conducted by all three inspectors covering the portion of the inspection completed during the time of the field observation.

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

1

1

Yes = 1 No = 0

Evaluator Notes:

Yes the inspectors did identify any probable violations found during the portion of the inspections observed, and also identified some a few points of concern for the operators.

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

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

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|----|-----------------------------------|-------------------------------------|
| y. | Purging | <input type="checkbox"/> |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/> |
| A. | Repairs | <input type="checkbox"/> |
| B. | Signs | <input checked="" type="checkbox"/> |
| C. | Tapping | <input type="checkbox"/> |
| D. | Valve Maintenance | <input checked="" type="checkbox"/> |
| E. | Vault Maintenance | <input checked="" 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 type="checkbox"/> |

Evaluator Notes:

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



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

- | | | | |
|----------|--|---|---|
| 1 | Did the state use the current federal inspection form(s)?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

H1. Yes. The PHMSA Inspection Assistant was used for all interstate inspection as requested by PHMSA. A modified version of the Standard Unit Inspection PIM was supplied to document the inspection as requested by Central Region.

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

Evaluator Notes:

H2. Yes. Reference OPS System cases are created to facilitate the inspections.

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

Evaluator Notes:

H3. Yes. Information was submitted for both NG inspections and zero HL inspections.

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|----------|---|---|---|
| 4 | 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.)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

H4. Yes. For both NG inspections

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|----------|---|---|---|
| 5 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

H5. Yes. For both NG inspections

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| 6 | Did the state give written notice to PHMSA within 60 days of all probable violations found?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

H6. Yes. For both NG inspections

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| 7 | Did the state initially submit documentation to support compliance action by PHMSA on probable violations?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

H7. Yes. For both NG inspections

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| 8 | General Comments:
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

H8. MNOPS continues to be fully invested in the interstate agent role with PHMSA. MNOPS has the resources to fulfill all the assignments as necessary.

Total points scored for this section: 7
Total possible points for this section: 7

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

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

Evaluator Notes:

I1-7. NA. Not a 60106 Program.

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

Evaluator Notes:

I1-7. NA. Not a 60106 Program.

- | | | | |
|----------|---|---|----|
| 3 | 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.)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

I1-7. NA. Not a 60106 Program.

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

Evaluator Notes:

I1-7. NA. Not a 60106 Program.

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

Evaluator Notes:

I1-7. NA. Not a 60106 Program.

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

I1-7. NA. Not a 60106 Program.

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|----------|--|-----------|-----------|
| 7 | General Comments:
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

I1-7. NA. Not a 60106 Program.

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