



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

MONTANA 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: Montana

Agency Status:

Date of Visit: 08/01/2016 - 08/13/2016

Agency Representative: G. Joel Tierney

PHMSA Representative: Leonard Steiner

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

Name/Title: Brad Johnson, Chairman

Agency: Montana Public Service Commission

Address: 1701 Prospect Avenue

City/State/Zip: Helena, Montana 59620

Rating:

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

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
45	45
15	15
6	6
8	8
12	12
0	0
0	0

TOTALS

109 109

State Rating 100.0

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: Accurate as reported.			
2	Review of Inspection Days for accuracy - Progress Report Attachment 2 Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: Accurate as reported.			
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: Accurate as reported.			
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: No federally reported incidents were reported in CY 2015.			
5	Accuracy verification of Compliance Activities - Progress Report Attachment 5 Yes = 1 No = 0 Needs Improvement = .5	1	1
Evaluator Notes: Accurate as reported.			
6	Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 Yes = 2 No = 0 Needs Improvement = 1	2	2
Evaluator Notes: Yes, Most files are electronic.			
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: Accurate as reported.			
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: Amendments are adopted every year, usually after the October list of amendments.			
9	List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 Yes = 1 No = 0 Needs Improvement = .5	1	1

Evaluator Notes:
Yes, adequate description.

10 General Comments:
Info Only = No Points
Evaluator Notes:

Info OnlyInfo Only

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:

Montana uses the model template for their inspection Plan and Procedures.

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

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

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

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

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

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

8 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

Montana is using the Inspection Plan and Procedures from the Guidelines.

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):
157.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 1.20 = 264.00

Ratio: A / B
157.00 / 264.00 = 0.59

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

Evaluator Notes:

The ratio is .59

- 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:

Due to the training at TQ, no outside training was received in CY2015. The inspectors have just recently completed the required training.

- 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:

- 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:

Yes, the response letter was received and all issues were addressed and either corrected or a plan for further compliance was developed. The adoption of Civil Penalties for violations of the One-Call system must be done by the Montana Legislative.

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

Evaluator Notes:

Last TQ seminar was in February 2014

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

Evaluator Notes:

Montana has spreadsheet with last inspection. The time for the next inspection is recorded for planning.

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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:

Montana uses the IA inspection program, and if a portion of any inspection is not recorded in the IA program, they use a PHMSA form.

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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 | NA |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|

Evaluator Notes:

No known cast iron is in Montana.

- | | | | |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|
| 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 | NA |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|

Evaluator Notes:

No known cast iron in Montana.

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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:

Montana has a Supplemental Inspection checklist with questions about concerns of the NTSB. A question about this in on the list.

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

Montana has a Supplemental Inspection checklist with questions about concerns of the NTSB. A question about this in on the list.

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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:

Yes, they are inspected for both accuracy and trends.

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|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 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.
Chapter 5.1
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes, Inspection results are uploaded into their respective database.

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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 |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
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Evaluator Notes:

Yes, and have compared the Annual Report data to NPMS data for Pipeline DataMart.

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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 | NA |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|
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Evaluator Notes:

No D&A inspections were scheduled for CY2015, Inspections are scheduled for CY2016.

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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:

Yes, Montana conducted OQ inspection on two operators according to their inspection plan.

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

Conducted one inspection of a Pig Run. Have two new operators that need to have IMP inspections conducted.

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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 have been complete by December 2014
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
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Evaluator Notes:

Have conducted the initial DIMP inspections and conducted one DIMP inspection in CY2015.

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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 be conducted every four years per RP1162
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
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Evaluator Notes:

Montana did not did not conduct Public Awareness inspections in CY2015. They have scheduled the effective inspections in CY2017 and CY2018.

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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 |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
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Evaluator Notes:

Montana has a website for pipeline safety.

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

Evaluator Notes:

No safety related condition reports were submitted in CY2015.

- 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:

A question is on their supplemental questions checklist.

- 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:

- 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:

Yes, one waiver was issued for the use of PA12 pipe. There is a annual requirement for testing.

- 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:

- 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:

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

Evaluator Notes:

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

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:

Yes, operators must submit a corrective action plan for any probable violation discovered. Pipeline safety reviews progress of all corrective actions.

- | | | | |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------|
| 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. | Document probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Resolve probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Routinely review progress of probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. | Were applicable civil penalties outlined in correspondence with operator(s) | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

All compliance actions require mandatory requirements.

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

Evaluator Notes:

Yes all probable violations of Pipeline Safety Regulations had a compliance action issued.

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

No show cause hearing in CY2015, but was carried forward into CY2016.

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

Yes. No civil penalties were issued in CY2015, but one was issued in CY2016.

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

Yes, see Question D.5

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

Evaluator Notes:

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:

Adequate procedures for responding to the report of an incident.

- 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:

One staff must be ready to receive call during non-business hours.

- 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 NA

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

There were no incidents in CY2015.

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

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:

There were no incidents in CY2015.

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

Yes = 1 No = 0

Evaluator Notes:

There were no incidents in CY2015.

- 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:

Yes, Montana has close connections with staff at Western Region.

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

Yes = 1 No = 0

Evaluator Notes:

8 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

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



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:

A question is on the supplemental checklist.

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

Yes, This is part of the Standard inspection.

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

Recommends that CGA best practices be part of the operator's procedures.

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

The Montana 811 center collects data, and forwards to the Pipeline Safety Division.

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

Evaluator Notes:

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:

Montana-Dakota Utilities (MDU) Company OPID 12684

Name of State Inspector(s) Observed:

Elizabeth Torske, John Torske accompanied by Program Manager, Joel Tierney

Location of Inspection:

Glendive, Montana

Date of Inspection:

8/9/2016-8/10/2016

Name of PHMSA Representative:

Leonard Steiner

Evaluator Notes:

- 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, Adequate time for the notice of inspection was provided with the operator's personnel present.

- 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, They used an IA off-line inspection checklist.

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

Evaluator Notes:

Yes, Results were thoroughly documented.

- 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,

- 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:

The initial inspection was operation and maintenance records. Then the procedures were inspected. At the last a field operation was inspected.

- | | | | |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 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 |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

yes, both inspectors were very knowledgeable 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 |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

yes, the exit interview was based on the portion of the inspection evaluation by PHMSA.

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

Evaluator Notes:

Yes, one probable violation was identified.

- | | | | |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| 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 = No Points | Info Only | Info Only |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|

- | | | |
|----|-----------------------------------|-------------------------------------|
| 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 checked="" type="checkbox"/> |
| h. | Cast-iron Replacement | <input type="checkbox"/> |
| i. | Damage Prevention | <input 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 checked="" type="checkbox"/> |
| p. | MOP | <input type="checkbox"/> |
| q. | MAOP | <input checked="" 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 checked="" type="checkbox"/> |
| v. | Overpressure Safety Devices | <input type="checkbox"/> |
| w. | Plastic Pipe Installation | <input checked="" type="checkbox"/> |
| x. | Public Education | <input type="checkbox"/> |
| y. | Purging | <input type="checkbox"/> |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/> |
| A. | Repairs | <input type="checkbox"/> |
| B. | Signs | <input type="checkbox"/> |
| C. | Tapping | <input 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 type="checkbox"/> |
| H. | Compliance Follow-up | <input type="checkbox"/> |
| I. | Atmospheric Corrosion | <input type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

On August 9-10, 2016, I observed Elizabeth Torske and John Torske conducting a standard inspection of Montana-Dakota Utilities Company (MDU) in Glendive, Montana. I was accompanied by Joel Tierney, Program Manager of the Montana Pipeline program. Elizabeth Torske was the lead inspector. The inspectors had adequately coordinated the time, date and place of the inspection. The inspectors were prepared to conduct the inspection. The operator has received the inspection form and had the requested records and files available for inspection. The procedures of the records inspected. One afternoon, they inspected the connection of a service line. The inspectors were knowledgeable and competent. they conducted inspection in a professional and courteous manner.

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 | NA |
|----------|----------------------------------------------------------------------------------------------------|---|----|

Evaluator Notes:

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

Evaluator Notes:

- | | | | |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|
| 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 | NA |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|

Evaluator Notes:

- | | | | |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|
| 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 | NA |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|

Evaluator Notes:

- | | | | |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|
| 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 | NA |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|

Evaluator Notes:

- | | | | |
|----------|--------------------------------------------------------------------------------------------------------------------------------------|---|----|
| 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 | NA |
|----------|--------------------------------------------------------------------------------------------------------------------------------------|---|----|

Evaluator Notes:

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

Evaluator Notes:

- | | | | |
|----------|--------------------------------------------|-----------|-----------|
| 8 | General Comments:
Info Only = No Points | Info Only | Info Only |
|----------|--------------------------------------------|-----------|-----------|

Evaluator Notes:

Not an interstate agent.

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

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

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

Evaluator Notes:

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

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

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

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

- | | | | |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|
| 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 |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|

Evaluator Notes:

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

Evaluator Notes:

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