



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

NORTH DAKOTA 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: North Dakota

Agency Status:

Date of Visit: 08/01/2016 - 08/05/2016

Agency Representative: Aaron Morman, Program Manager
Craig Reamann, Pipeline Safety Inspector

PHMSA Representative: Agustin Lopez, State Evaluator

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

Name/Title: Julie Fedorchak, Chairman

Agency: North Dakota Public Service Commission

Address: 12 Floor, Dept 408, 600 East Boulevard

City/State/Zip: Bismarck, North Dakota 58505

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	11
50	49
15	15
11	11
8	8
12	12
0	0
0	0

TOTALS

119 116

State Rating

97.5

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:

Progress report had some inaccurate number of operators. Granville is a municipality that operates LPG. ND had them classified as a municipality operator but as a LPG unit. Instructed ND to classify them as a LPG operator as well.

MDU operates/owns Hettinger municipality so ND needs to move municipality unit into the private category.

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

Reviewed Attachment 2 and compared with the ND PSC database. All inspection days were accountable for in their database. There were no issues with Attachment 2.

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

Caliber Midstream and Hess need to be added to their Progress Report for 2016. They both had an annual report submitted into PDM. Hess and Summit Midstream are new operators due to development and becoming jurisdictional gathering..

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

There were no reportable incidents in their database and compared with PDM. No issues with Attachment 4.

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

Evaluator Notes:

Reviewed ND PSC files to verify compliance actions. There were civil penalties assessed by the PSC in two cases but don't count the assessed values in the Progress Report until the Commission finalizes the assessments.

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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:

Yes, files are kept mostly electronically now. Beginning this year all paper files are being phased out. All electronic files are kept in the server. No issues with Attachment 6.

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

Aaron Morman has completed all required training. Craig Reamann started in 2015 and has completed all minimum required T&Q training to conduct standard inspections. Aaron Morman considered Craig Reamann capable of conducting standard inspection before completing all his required courses due to his knowledge and experience pipeline safety. No issues identified with training.

- | | | | |
|----------|--|---|---|
| 8 | Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 | 1 | 1 |
|----------|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Adoption goes through Commission and has to adopt the regulation changes.

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:

Chris Reamann was enrolled in 8 courses in 2016 and has completed them as of the day of the Evaluation. Aaron Morman has completed all require courses. Will have fully trained staff by end of 2016

10 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

The ND PSC is mainly complying with Part A of the Evaluation

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 | 1 |
|---|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

ND PSC Gas Pipeline Safety Program Manual has procedure that addresses the standard inspection guidance for inspectors. There is a pre and post inspection activity for the inspector to follow. The procedures are very hard to follow due to using Standard Field Inspections and Record Audits as types of inspections. Need to amend procedures to have more detailed guidance for inspectors.

- | | | | |
|---|--|---|-----|
| 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 | 0.5 |
|---|--|---|-----|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

ND PSC updated their procedures to include IMP and DIMP inspections, Section D. The procedures include pre and post inspection activities to guide the inspector. Need to give more detail on guidance to perform IMP and DIMP and to upload inspections to PHMSA Databases.

- | | | | |
|---|--|---|-----|
| 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 | 0.5 |
|---|--|---|-----|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

ND PSC updated their procedures to include OQ inspections in Section D. The procedures include pre and post inspection activities to guide the inspector. Need to amend procedure to have better guidance detail for inspectors. and to include the upload of OQ inspection to the PHMSA OQ Database.

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

ND PSC updated their procedures to include Damage Prevention inspections, Section D. The procedures include pre and post inspection activities to guide the inspector. The procedure establishes the requirements of 192. 614 for the inspector to use as a guide.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

ND PSC has on site training procedures in Section E.

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

ND PSC has construction inspection procedures in Section C. The procedures include pre and post inspection activities to guide the inspector and what type of construction activities may be inspected.

7	Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? Yes = 6 No = 0 Needs Improvement = 1-5	6	6
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:

- Procedures for inspection intervals are under "Scheduling and Notification".
- Procedures for operating history is under "Audit, Inspections, and Investigations"
- Procedures include the type of activity undertaken.
- HCA's , population and geographic area are considered for inspection scheduling.
- Corrosion, outside forces, material defects, etc . are considered as part of the scheduling.
- based on operator operating areas.

8 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

B.1 ND PSC Gas Pipeline Safety Program Manual has procedure that addresses the standard inspection guidance for inspectors. There is a pre and post inspection activity for the inspector to follow. The procedures are very hard to follow due to using Standard Field Inspections and Record Audits as types of inspections. Need to amend procedures to have more detailed guidance for inspectors.

B.2 ND PSC updated their procedures to include IMP and DIMP inspections, Section D. The procedures include pre and post inspection activities to guide the inspector. Need to give more detail on guidance to perform IMP and DIMP and to upload inspections to PHMSA Databases.

B.3 ND PSC updated their procedures to include OQ inspections in Section D. The procedures include pre and post inspection activities to guide the inspector. Need to amend procedure to have better guidance detail for inspectors. and to include the upload of OQ inspection to the PHMSA OQ Database.

Total points scored for this section: 11
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):
149.50
- B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 1.30 = 286.73
- Ratio: A / B
149.50 / 286.73 = 0.52
- If Ratio \geq 0.38 Then Points = 5, If Ratio $<$ 0.38 Then Points = 0
Points = 5

Evaluator Notes:

Verified inspector person days with attachments. There are no issues with the inspector person days to total person days ratio.

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 5 4
Yes = 5 No = 0 Needs Improvement = 1-4
- a. Completion of Required OQ Training before conducting inspection as lead? Yes ☐ No ☐ Needs Improvement ☒
- b. Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 Yes ☐ No ☐ Needs Improvement ☒
- c. Root Cause Training by at least one inspector/program manager Yes ☒ No ☐ Needs Improvement ☐
- d. Note any outside training completed Yes ☒ No ☐ Needs Improvement ☐
- e. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. Yes ☐ No ☐ Needs Improvement ☒

Evaluator Notes:

- a. Program Manager determines if an inspector is qualified to lead inspection depending on knowledge and experience. There is no procedure to guide PM on how to evaluate inspectors. Inspector still has to complete required training.
- b. Craig Reamann performed IMP inspection but was determined by PM to be qualified with experience, knowledge and training. There is no procedure to determine if an inspector is qualified to perform IMP inspections without taking the required T&Q Courses.
- c. Yes, Aaron Morman has taken root cause course.
- d. no outside training in 2015.
- e. Program Manager determines if an inspector is qualified to lead inspection depending on knowledge and experience. Inspector still has to complete required training per the requirements. Currently there is no procedure to guide the PM on how to determine or evaluate an inspector to consider him/her qualified to lead inspections.

Although Craig Reamann was considered qualified by the Program Manager with his knowledge, experience and on the job training to be lead inspector on IMP, OQ and standard inspections, there is no procedure or documentation on how to evaluate an inspector. The ND PSC has to amend their procedures to include how the Program Manager evaluates an inspector and consider him qualified without taking the required T&Q courses.

- 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:

Yes. Aaron Morman is the Program Manager and he is knowledgeable of the PHMSA program and regulations. He has attended the required T&Q courses.

- 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 Chairman letter was mailed on September 23, 2015 and response was received on November 18, 2015.

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

Evaluator Notes:

They do a co-seminar with S. Dakota every other year. ND PSC held one in April 2014 and 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	5
	Yes = 5 No = 0 Needs Improvement = 1-4		

Evaluator Notes:

Yes, reviewed records to verify inspections are being performed per their inspection time frames. No issues identified.

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

Evaluator Notes:

ND PSC utilizes the PHMSA forms which cover the applicable code requirements for the inspections. Reviewed files and all inspections seemed to have all portions of form completed that pertained to the inspections.

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	1	1
	Yes = 1 No = 0		

Evaluator Notes:

There is no cast iron in the state of North Dakota but the inspectors still ask the question during each inspection.

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	1	1
	Yes = 1 No = 0		

Evaluator Notes:

There is no cast iron in the state of North Dakota but the inspectors still ask the question during each inspection.

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	1	1
	Yes = 1 No = 0		

Evaluator Notes:

ND PSC inspectors use the PHMSA forms which includes procedures for leaks caused by excavation and ask during every inspection.

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	1	1
	Yes = 1 No = 0		

Evaluator Notes:

Yes, the ND PSC utilizes the PHMSA form which includes the question in the form and is asked by each inspector during inspections.

- 12 Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

The ND PSC inspectors review annual reports during inspections. There were no incidents in 2015. Discuss any discrepancies in the reports.

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

Evaluator Notes:

Yes, reviewed Databases and inspections are being uploaded.

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

Evaluator Notes:

Yes, NPMS data is reviewed to assure operators have submitted updates and are up to date.

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

Evaluator Notes:

The ND PSC performed one Drug and Alcohol inspection in 2015. Programs are reviewed a least every 5 years.

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

Evaluator Notes:

Yes, the ND PSC performed several OQ program evaluations and field inspections.

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

Evaluator Notes:

The ND PSC performed IMP inspection follow up in October 2015 of the only operator with HCAs. Verified that the rest of operators don't have HCAs.

- 18 Is state verifying operator's gas distribution integrity management Programs (DIMP)? This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart P DIMP ? First round of program inspections should have been complete by December 2014 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Completed all DIMP first round in 2014. There was a follow-up conducted in 2015 which was verified in their records and files.

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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:

Yes, the ND PSC conducted one Public Awareness program review, Neasson Gathering due to it being a new operator. All Public Awareness Programs were completed in 2013.

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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:

ND PSC website communicates with public on Pipeline Safety issues. They also participate in the State Fair by having a booth along with 811 for public education.

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

Evaluator Notes:

No Safety Related Conditions reported in 2015.

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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:

ND PSC inspectors ask during their inspections to see if they are experiencing any defects in a common type of pipe or fitting but not documented on a form. The question is asked in the Transmission Inspection form but not in the Distribution form. Did have an issue with JM Eagle PE piping having a "Snake skin" issue. There were no failures or weakening of pipe but just had that exterior feature.

Need to create form or add question to their State Form

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

Evaluator Notes:

Yes, the state responds to most NAPSRS and PHMSA surveys.

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

Evaluator Notes:

The ND PSC has one open waiver dealing with atmospheric corrosion monitoring. It allows the operator to conduct atmospheric monitoring every 48 months instead of 39 months. The waiver is still on going.

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

Yes, Aaron Morman attended the National NAPSRS meeting in 2015.

- 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:

ND PSC needs to review and evaluate performance metrics on the primis website for any negative trends. The ND trends have improved in the past several years but there seems to be a discrepancy between repaired leaks and outstanding leaks from 2014 to 2015. The number outstanding leaks dropped dramatically in 2015 but there was no increase in the number of repaired leaks. The ND PSC needs to review the trends to verify accuracy and for any negative trends.

27 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

- C.1 a. Program Manager determines if an inspector if qualified to lead inspector depending on knowledge and experience. There is no procedure to guide PM on how to evaluate inspectors. Inspector still has to complete required training.
- b. Craig Reamann performed IMP inspection but was determine by PM to be qualified with experience, knowledge and training. There is no procedure to determine if an inspector is qualified to perform IMP inspections without taking the required T&Q Courses.
- c. Yes, Aaron Morman has taken root cause course.
- d. no outside training in 2015.
- e. Program Manager determines if an inspector if qualified to lead inspector depending on knowledge and experience. Inspector still has to complete required training per the requirements. Currently there is no procedures to guide the PM on how to determine or evaluate an inspector to consider him/her qualified to lead inspections.

Although Craig Reamann was considered qualified by the Program Manager with his knowledge, experience and on the job training to be lead inspector on IMP, OQ and standard inspections, there is no procedure or documentation on how to evaluate an inspector. The ND PSC has to amend their procedures to include how the Program Manager evaluates an inspector and consider him qualified with out taking the required T&Q courses.

C.26 ND PSC needs to review and evaluate performance metrics on the primis website for any negative trends. The ND trends have improved in the past several years but there seems to be a discrepancy between repaired leaks and outstanding leaks from 2014 to 2015. The number outstanding leaks dropped dramatically in 2015 but there was no increase in the number of repaired leaks. The ND PSC needs to review the trends to verify accuracy and for any negative trends.

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



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 4 4
Yes = 4 No = 0 Needs Improvement = 1-3
- a. Procedures to notify an operator (company officer) when a noncompliance is identified Yes ☒ No ☐ Needs Improvement ☐
- b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

- a. Yes, the ND PSC states that all correspondence goes to company officer or mayor.
- b. ND PSC Procedures have Enforcement section which explains the process for taking steps from the discovery to the resolution of a probable violation. ND Commission laws Chapter 49 has compliance process from the issuance of a probable violation to the resolution.

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

Evaluator Notes:

- a. Yes, reviewed inspection reports and correspondence is sent to company or government officials.
- b. Yes, all probable violations were documented in the inspection reports and correspondence.
- c. Yes, probable violations were resolved or in process of being resolved.
- d. Yes, the inspector and program manager review open cases and review progress of open probable violations.
- e. Yes, civil penalties are outlined in the correspondence to the operators.

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

Evaluator Notes:

- Yes, reviewed inspection report files and all probable violations discovered were documented on inspection reports and in the operator correspondence.

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

Evaluator Notes:

- Yes, the ND PSC give the operator 30 days to respond to compliance letters. They also have the opportunity for hearings.

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

Evaluator Notes:

- Yes, the ND PSC issues the civil penalties but have to go through the Commissioners before the final issuance of the amount of civil penalty.

The ND PSC issued civil penalties in 2015 but are not final. They are in process of going to the Commissioners for final determination.

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

Evaluator Notes:

Yes, found several violations that proposed civil penalties but are in the Commissioners schedule for review. The Commissioners decide on the final outcome or amount of civil penalties.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

The ND PSC is mainly complying with Part D of the evaluation.

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:

Yes, the operator has to call the 24 hour on call inspector, which is Aaron Morman. Procedures state that inspector will respond to certain criteria: immediately in case of death or injury, soon as practical in case of high damage, or by telephone if it doesn't meet above criteria. Procedures state that inspector will investigate and conduct root cause and write up report.

- 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:

- a. Yes, they are aware that if needed will assist NTSB and PHMSA.
- b. Yes, cooperate with PHMSA on incident if asks.

- 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:

There was one notification made in 2015 that there was no onsite investigation. Reviewed documents and notes that verified the facts and why no on site was conducted. There was no death, injury or high damage. The report did not meet the notification requirement.s

- 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:

There were no incidents in 2015 that required an investigation or met the reporting requirements.

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

Yes = 1 No = 0

Evaluator Notes:

There were no reportable incidents in 2015.

- 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:

Did not assist with any incidents in 2015 but do communicate with region on interstate incidents to help with investigations.

- 7 Does state share lessons learned from incidents/accidents? (sharing information, such as: 1 1
at NAPSRR Region meetings, state seminars, etc)
Yes = 1 No = 0

Evaluator Notes:

Haven't had any incidents but do share information at the NAPSRR meeting state of the state presentations.

8 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

The ND PSC is mainly complying with Part E of the Evaluation.

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:

ND has a construction form which asks for excavation type: boring, open trench, etc. Inspector asks what type of excavation the are performing and asks to see procedures if they are boring/drilling.

- | | | | |
|---|---|---|---|
| 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, the ND PSC inspector review Damage Prevention procedures during their standard inspection. Verify that operators are members of a one call system.

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

The ND PSC attend 811 and common ground alliance meetings. Also during seminars and state fair the PSC promotes CGA best practices.

- | | | | |
|---|--|---|---|
| 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 ND PSC is aware of the data and reviews the annual reports. State should evaluate trends and evaluate negative trends for reasons and ways to improve.

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

Evaluator Notes:

The ND PSC is generally is complying with Part F of the Evaluation.

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:
MDU

Name of State Inspector(s) Observed:
Craig Reamann

Location of Inspection:
Bismark, ND

Date of Inspection:
August 3, 2016

Name of PHMSA Representative:
Agustin Lopez

Evaluator Notes:

Evaluated Mr. Craig Reamann perform a construction inspection on MDU while installing a service line to a new residence. Mr. Reamann utilized a construction form during the inspection and verified OQ records of contractor (Fischer Construction) performing the fusion. Mr. Reamann also reviewed the fusion procedures and pipe specifications. Mr. Reamann was very knowledgeable of the pipeline safety rules and performed an excellent job.

- 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, the operator was notified in advance and was given the opportunity for any representative to be 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, Mr. Reamann utilized a state construction inspection form as a guide during his inspection and to document his findings.

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

Evaluator Notes:

Yes, the inspector documented his results on the Construction Inspection form.

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

Evaluator Notes:

Yes, the inspector checked the equipment and calibration reports for the equipment utilized by the operator.

- 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 | <input checked="" type="checkbox"/> |
| b. Records | <input checked="" type="checkbox"/> |
| c. Field Activities | <input checked="" type="checkbox"/> |
| d. Other (please comment) | <input type="checkbox"/> |

Evaluator Notes:

The inspector reviewed construction procedures, OQ records and conducted a field inspection of the construction activities. Mr. Reamann documented his results on the construction inspection form.

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

Yes, Mr. Reamann was knowledgeable of the pipeline safety program and regulations.

8	Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) Yes = 1 No = 0	1	1
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Evaluator Notes:

Yes, Mr. Reamann conducted an exit interview with the MDU representative and the contractor at the end of his inspection.

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

There were no issues or probable violations identified during the inspection.

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
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- | | | |
|----|-----------------------------------|-------------------------------------|
| a. | Abandonment | <input type="checkbox"/> |
| b. | Abnormal Operations | <input type="checkbox"/> |
| c. | Break-Out Tanks | <input type="checkbox"/> |
| d. | Compressor or Pump Stations | <input type="checkbox"/> |
| e. | Change in Class Location | <input type="checkbox"/> |
| f. | Casings | <input type="checkbox"/> |
| g. | Cathodic Protection | <input type="checkbox"/> |
| h. | Cast-iron Replacement | <input type="checkbox"/> |
| i. | Damage Prevention | <input type="checkbox"/> |
| j. | Deactivation | <input type="checkbox"/> |
| k. | Emergency Procedures | <input type="checkbox"/> |
| l. | Inspection of Right-of-Way | <input type="checkbox"/> |
| m. | Line Markers | <input type="checkbox"/> |
| n. | Liaison with Public Officials | <input type="checkbox"/> |
| o. | Leak Surveys | <input type="checkbox"/> |
| p. | MOP | <input type="checkbox"/> |
| q. | MAOP | <input 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 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 type="checkbox"/> |
| G. | OQ - Operator Qualification | <input checked="" type="checkbox"/> |
| H. | Compliance Follow-up | <input type="checkbox"/> |
| I. | Atmospheric Corrosion | <input type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

Mr. Reamann inspected MDU while installing a new plastic pipe service to a new residence. He reviewed OQ records and verified with the contractor technicians performing the tasks. He inspected the plastic pipe fusion and verified that the procedures were being followed. He reviewed the pipe specifications to verify the MAOP of the pipeline and witnessed the pressure test. Mr. Reamann performed an excellent inspection.

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:

ND PSC is not an Interstate Agent.

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

ND PSC is not an Interstate Agent.

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

ND PSC is not an Interstate Agent.

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

ND PSC is not an Interstate Agent.

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

ND PSC is not an Interstate Agent.

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

ND PSC is not an Interstate Agent.

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

ND PSC is not an Interstate Agent.

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

Evaluator Notes:

ND PSC is not an Interstate Agent.

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

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

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

Evaluator Notes:

The ND PSC does not have a 60106 Agreement.

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

The ND PSC does not have a 60106 Agreement.

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

The ND PSC does not have a 60106 Agreement.

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

The ND PSC does not have a 60106 Agreement.

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

The ND PSC does not have a 60106 Agreement.

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

The ND PSC does not have a 60106 Agreement.

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

Evaluator Notes:

The ND PSC does not have a 60106 Agreement.

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