

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

## 2016 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)



# 2016 Gas State Program Evaluation -- CY 2016

Gas

**State Agency:** North Dakota

**Agency Status:**

**Date of Visit:** 07/31/2017 - 08/04/2017

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

**PHMSA Representative:** Agustin Lopez, State Programs

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

**Name/Title:** Randy Christmann, Chairman  
**Agency:** North Dakota Public Service Commission  
**Address:** 600 East Boulevard Avenue Dept 408  
**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 2016 (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  
48 48  
15 15  
4 4  
8 8  
12 12  
0 0  
0 0

### TOTALS

110 110

### State Rating

100.0

## PART A - Progress Report and Program Documentation Review

Points(MAX) Score

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

**Evaluator Notes:**

Reviewed Progress report and state files to verify number of operators and units. The increase in Transmission operators was due to two new Transmission operators Summit and Liberty. Liberty built a new pipeline and Summit became jurisdictional piping.

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

**Evaluator Notes:**

Reviewed Progress report and State files to verify inspection days accuracy. Use GasSafe to track inspection days. Days in their database was accurate.

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

**Evaluator Notes:**

Reviewed Annual reports to compare operators in North Dakota. The number of operators was accurate.

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

**Evaluator Notes:**

There were no reportable incidents in North Dakota in 2016.

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

**Evaluator Notes:**

Use GasSafe program to track compliance actions. There were compliance actions issued in 2016 with Civil Penalties. Verified the number of compliance actions with progress report.

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

**Evaluator Notes:**

Yes, all files are kept electronically since the beginning of 2016. Trying not to keep hard paper copies. The compliance paperwork is the only paper copies.

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

**Evaluator Notes:**

Aaron Morman has completed T&Q training and Craig Reamann is will complete all training by 2017.

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

**Evaluator Notes:**

Legislature meets biannually to adopt rules. All rules have been adopted as of 2016. The state laws states that the state cannot make more stringent rules.

---

<b>9</b>	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:

Yes. Accomplishments include: Program Manager to complete all T&Q training by the end of 2017. Complete all Drug and Alcohol inspection in 2017 of operators who hadn't been inspected in 2 years.

---

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

Evaluator Notes:

The North Dakota 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 | 2 |
|---|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

### Evaluator Notes:

North Dakota PSC has the Gas Pipeline Safety Program Manual which includes the standard inspection procedures. The procedures in section A give guidance to the inspector on how to perform an inspection. The procedures include a pre and post inspection process. In addition the procedures also include field inspections which are performed on a as needed basis which may be due to previous violations or a public complaint.

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

ND PSC Pipeline Safety Program Manual Section C has IMP inspection procedures. IMP inspection must be conducted every 5 years. The procedures also include an inspection for any significant changes to an operators plan. The forms to be used are also included in the procedure which should be followed by the inspector.

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

ND PSC Pipeline Safety Program Manual Section C has OQ inspection procedures. OQ inspection must be conducted every 5 years. The procedures also include an inspection for any significant changes to an operators plan. The forms to be used are also included in the procedure which should be followed by the inspector.

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

Damage Prevention inspections are performed during standard inspections and Construction Inspections which cover 192.614. ND PSC Pipeline Safety Program Manual Section C has Damage Prevention inspection procedures. Damage Prevention inspections must be conducted every 5 years. The procedures also include an inspection for any significant changes to an operators plan. The forms to be used are also included in the procedure which should be followed by the inspector..

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

Yes = 1 No = 0 Needs Improvement = .5

### Evaluator Notes:

Need to amend procedures to include Operator Training procedure. The type of inspection is not part of the inspection tracking so program was changed to include the onsite operator training.

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

Have construction inspection procedures in Section D of Procedures. The procedures give guidance to inspectors on how to conduct construction inspections. The procedure has post inspection activities to make operator aware of any issues or outcome of construction.

- |          |   |                                      |  |
|----------|---|--------------------------------------|--|
| <b>7</b> | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements?<br>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:

- a. Time intervals is taken into consideration when prioritizing inspections.
- b. Operating history is take into consideration in the prioritization procedures.
- c. Type of activities being undertaken is part of the prioritization scheduling.
- d. Location of pipeline is also considered.
- e. High risk is units are considered from previous inspections and any current information available to be considered high risk.
- f. Every operator has one unit except for their major operator. The major operator has two units which is broken down by operating area.

**8** General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

B.5 - Do not have procedure for providing Operator Training or a way to document the training. Need to amend procedures to include Operator Training procedure. The type of inspection is not part of the inspection tracking so have to change program to include operator training as an inspection type.

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):  
142.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
220 X 1.60 = 352.00

Ratio: A / B  
142.00 / 352.00 = 0.40

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

Evaluator Notes:

ND PSC met the ratio requirement of .38. Verified the number of person days with their database.

- 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:

- a. Yes, both Craig Reamann and Aaron Morman have completed training to lead inspections.
- b. Both have completed the DIMP/IMP courses.
- c. Both have taken the root cause analysis course.
- d. Did not take any outside training in 2016.
- e. Yes, both inspectors/program manager have obtained minimum qualifications to lead inspections.

- 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, Craig Reamann is knowledgeable of the PHMSA program and regulations.

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

Evaluator Notes:

Yes, the ND PSC responded within the 60 day requirement.

- 5 Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5 1 1  
Yes = 1 No = 0

Evaluator Notes:

ND and SD have an agreement in which they rotate seminars every year which operators of both states participate. The seminar in 2016 was held in South Dakota which ND PSC participated. The seminar will be held in North Dakota in 2018.

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

Evaluator Notes:

Have no issues with being over their inspections cycles (5 years). Only issue is the Damage Prevention program inspections in which a few operators have not been completed. ND PSC does look at the operators Damage Prevention program questions in PHMSA form during the standard inspections which cover some of the Damage Prevention programs.

- |          |  |   |   |
|----------|--|---|---|
| <b>7</b> | 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<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

Yes, reviewed inspection reports to assure all part of the form have been completed which are applicable to the inspection.

- |          |   |   |   |
|----------|---|---|---|
| <b>8</b> | 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<br>Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

There is no cast iron pipelines in North Dakota but the inspectors still check during inspections and annual reports.

- |          |  |   |   |
|----------|--|---|---|
| <b>9</b> | Did the state review operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance) (NTSB) Chapter 5.1<br>Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

There is no cast iron pipelines in North Dakota but the inspectors still check during inspections and annual reports.

- |           |   |   |   |
|-----------|---|---|---|
| <b>10</b> | Did the state review operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21? (NTSB) Chapter 5.1<br>Yes = 1 No = 0 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

Yes, the ND PSC utilizes the PHMSA form which includes the question on leaks caused by excavation damage and determine if procedures adequately address multiple leaks.

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

Evaluator Notes:

Yes, the PHMSA form covers this question and the ND PSC asks and verifies the operator records of previous accidents include appropriate response as required by 192.617.

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

Evaluator Notes:

Yes, the ND PSC inspectors review annual reports and compare from previous years for any discrepancies. There were no incidents in 2016.



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

Evaluator Notes:

Yes, all OQ, IMP and DIMP inspections are uploaded into the databases in a timely manner. Checked in the database for reports submitted.

- 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, the ND PSC reviews NPMS mapping for accuracy during inspections. They verify the operator has submitted their yearly changes to NPMS.

- 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:

Yes, conduct Drug and Alcohol inspections and program inspections. During the standard look at their testing results but not the entire program.

- 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, perform OQ Program inspections on a 5 year cycle and conduct field inspections on a yearly basis.

- 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). (Are the State's largest operators programs being contacted or reviewed annually?). 49 CFR 192 Subpart 0 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, perform IMP program inspections on a 5 year cycle. Request from operators when verification digs are being performed to try to inspection. Also, ask operators to submit implementation data (CIS, ICVG, etc.) to review.

- 18 Is state verifying operator's gas distribution integrity management Programs (DIMP)? 2 2  
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). (Are the State's largest operators programs being contacted or reviewed annually?). 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

Evaluator Notes:

DIMP plans were all reviewed in 2014 and will be perform DIMP inspections on a 5 year interval.

- 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. PAPEI Effectiveness Inspections should have been completed by December 2013. PAPEI Effectiveness Inspections should be conducted every four years by operators. 49 CFR 192.616 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, completed all PAPEI inspections in 2013 and conduct PAPEI inspection on new operators. All PAPEI inspections are conducted on a 5 year interval

- |           |   |   |   |
|-----------|---|---|---|
| <b>20</b> | Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public). | 1 | 1 |
|-----------|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

All inspection data is open records on their website. In addition they participate in a booth at the annual State Fair along with the One Call system.

- |           |  |   |    |
|-----------|--|---|----|
| <b>21</b> | 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:

There were no SRCR in 2016 in North Dakota.

- |           |  |   |   |
|-----------|--|---|---|
| <b>22</b> | 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:

ND PSC ask the operators of any plastic pipe or components that have shown any defects. Have included on both Transmission and Distribution forms. Had a issue in the previous year but no issues in 2016.

- |           |   |   |   |
|-----------|---|---|---|
| <b>23</b> | 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:

Yes, participate in both PHMSA and NAPSRS surveys whenever they are asked.

- |           |   |   |   |
|-----------|---|---|---|
| <b>24</b> | 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:

ND PSC issued a waiver in 2008 and keep track of it in their database.

- |           |  |   |   |
|-----------|--|---|---|
| <b>25</b> | Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated? | 1 | 1 |
|-----------|--|---|---|

No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

Yes, both Craig Reamann and Aaron Morman attended the NAPSRS National meeting in 2016.

- |           |   |   |   |
|-----------|---|---|---|
| <b>26</b> | Discussion on State Program Performance Metrics found on Stakeholder Communication site - <a href="http://primis.phmsa.dot.gov/comm/states.htm">http://primis.phmsa.dot.gov/comm/states.htm</a> | 2 | 2 |
|-----------|---|---|---|

No = 0 Needs Improvement = 1 Yes = 2

- |    |   |                                      |                          |   |
|----|---|--------------------------------------|--------------------------|---|
| a. | Discussion of Potential Accelerated Actions (AA's) based on any negative trends | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | NTSB P-11-20 Meaningful Metrics   | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

Have asked each operator to submit number of one call tickets, number of near misses, number of hits and complaints filed. The data will be analyzed for trends and how to improve damage prevention in the state.

- 
- 27** Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool. (No points) Info OnlyInfo Only  
Info Only = No Points

Evaluator Notes:

Discussed with ND PSC the calculation tool numbers and found two discrepancies with TIMP days. MDU has both transmission and distribution which are listed as two separate operators but both had days for TIMP inspections. Also Northern States Power is only a distribution operator but had TIMP days in the tool. ND PSC will make appropriate changes to correct any discrepancies.

---

- 28** Did the State verify Operators took appropriate action regarding Pipeline Flow Reversals, Product Changes and Conversions to Service? See ADP-2014-04 (No Points) Info OnlyInfo Only  
Info Only = No Points

Evaluator Notes:

Have not been aware of any flow reversals in the state. Will look where to put a question in the future to cover the flow reversal. Already cover the conversion to service which is covered in the current inspection form.

---

- 29** General Comments: Info OnlyInfo Only  
Info Only = No Points

Evaluator Notes:

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

---

Total points scored for this section: 48  
Total possible points for this section: 48



## PART D - Compliance Activities

Points(MAX) Score

- |          |  |   |   |
|----------|--|---|---|
| <b>1</b> | Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1<br>Yes = 4 No = 0 Needs Improvement = 1-3 | 4   | 4                                       |
| a.       | Procedures to notify an operator (company officer) when a noncompliance is identified  | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b.       | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns  | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c.       | Procedures regarding closing outstanding probable violations   | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

### Evaluator Notes:

- a. Enforcement section of procedures has procedure to notify operator of a non compliance.
- b. Enforcement section as procedure to review progress of compliance actions and hos to handle the process from open to close of a case.
- c. Enforcement section has procedure explaining the closing of probable violations. All NOPV's must go trough the commission to close out the case.

- |          |  |   |   |
|----------|--|---|---|
| <b>2</b> | Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1<br>Yes = 4 No = 0 Needs Improvement = 1-3 | 4   | 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:

- a. Yes, reviewed compliance letters and all were sent to company official or mayor.
- b. Yes all probable violations were documented.
- c. Compliance letters were reviewed and all probable violations were resolved.
- d. Progress of probable violations are reviewed by inspector and program manager.
- e. Yes, civil penalties were outlined in the correspondence that was reviewed.

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

### Evaluator Notes:

Yes, reviewed inspection reports and compliance actions were issued for all probable violations found during inspections.

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

### Evaluator Notes:

Yes, the ND PSC gives due process to all parties. NOPV has instructions on how to respond to letter which gives due process.

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

### Evaluator Notes:

Yes, Program Manager is familiar with civil penalty process. There were no repeat violations discovered in 2016 but do go back 10 years of operating history for each operator when considering repeat violations.

- 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, there was a total of \$13,660 accessed in 2016 which \$12,160 was collected.

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

Evaluator Notes:

Yes, section E of the Pipeline Safety Procedures addresses state actions in the event of an incident. The procedures gives guidance on conducting incident investigations.

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

- |    |  |                                      |                          |   |
|----|--|--------------------------------------|--------------------------|---|
| a. | Acknowledgement of MOU between NTSB and PHMSA (Appendix D)                             | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes, the operator has to call a 24 hour number which is the Program Manager and is forwarded to other inspector when out of state or vacation.

- a. Yes, ND PSC is aware of the MOU between NTSB and PHMSA.  
b. Yes, the ND PSC is aware of the Federal/State cooperation in case of an incident.

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

Evaluator Notes:

There were no incident notifications in 2016.

- |   |   |   |    |
|---|---|---|----|
| 4 | Were all incidents investigated, thoroughly documented, and with conclusions and recommendations?<br>Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | NA |
|---|---|---|----|

- |    |   |                           |                                     |   |
|----|---|---------------------------|-------------------------------------|---|
| a. | Observations and document review                        | Yes <input type="radio"/> | No <input checked="" type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Contributing Factors                                    | Yes <input type="radio"/> | No <input checked="" type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Recommendations to prevent recurrences when appropriate | Yes <input type="radio"/> | No <input checked="" type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

There were no incidents in 2016 so there were no incident investigations.

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

Evaluator Notes:

There were no incidents in 2016 so there were no compliance actions issued.

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

Evaluator Notes:

The region office did not ask the ND PSC to assist in any incident in 2016.

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

Evaluator Notes:

There were no incidents in North Dakota in 2016 so no lessons learned.

---

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: 4  
Total possible points for this section: 4



## PART F - Damage Prevention

Points(MAX) Score

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

Evaluator Notes:

Yes, during construction inspections the ND PSC reviews drilling/boring procedures. There is a question on the form that covers the drilling procedures.

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

Evaluator Notes:

Yes, review procedures during standard inspections. The form has damage prevention section which covers notification, marking and 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.)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Attend CGA meetings, Seminars and during inspections inspectors promote the best practices. Also try to attend the North Dakota Pipeline Association meetings.

- |   |  |   |   |
|---|--|---|---|
| 4 | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests? (This can include DIRT and other data shared and reviewed by the pipeline safety program)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Request data from operator and forward data to analyst to gather and analyze the data. State needs to evaluate the data to see if trends are negative and try to find ways to make trends positive. Have 2015 data and after 2016 data is received a comparison will be able to show a trend.

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

Evaluator Notes:

ND PSC is mainly complying with Part F of the evaluation.

Need to perform trend analysis on damages per 1,000 locates to see if there is a positive or negative trend and find ways to improve the trend.

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:

Aaron Morman

Location of Inspection:

Bismarck, ND

Date of Inspection:

August 1, 2017

Name of PHMSA Representative:

Agustin Lopez

Evaluator Notes:

Evaluated Mr. Aaron Morman conduct a construction inspection of MDU while constructing a 16" PE pipeline. The pipeline is 16" PE pipeline running from a border station inside the Tesoro refinery property to another border station.

- 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 to give the opportunity 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. Aaron Morman utilized the Construction Form to document and us has a guide during the inspection

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

Evaluator Notes:

Yes, results were documented in the 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 operator had the equipment necessary to conduct the task of fusing pipeline together.

- 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 inspector performed a field inspection while the operator was fusing the 16" pipeline. He requested the fusion procedures along with the operator's qualifications.

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:

Mr. Aaron Morman has worked in industry and more than 5 years with the PSC and he is very knowledgeable of the pipeline safety rules 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
---	---	---	---

Evaluator Notes:

Yes, he concluded the inspection with the operator with a summary.

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:

There were no probable violations found during the inspection. He requested paperwork which will be reviewed for any issues.

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 checked="" 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:

Performed a construction inspection of a 16" PE pipeline. Inspected the fusion of the pipeline along with procedures and OQ records. Also verified MAOP of the pipeline.

---

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



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

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

Evaluator Notes:

ND PSC is not an interstate agent.

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

Evaluator Notes:

ND PSC is not an interstate agent.

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

Evaluator Notes:

ND PSC is not an interstate agent.

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

Evaluator Notes:

ND PSC is not an interstate agent.

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

Evaluator Notes:

ND PSC is not an interstate agent.

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

Evaluator Notes:

ND PSC is not an interstate agent.

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

Evaluator Notes:

ND PSC is not an interstate agent.

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

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

Evaluator Notes:

ND PSC does not have a 60106 Agreement.

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

Evaluator Notes:

ND PSC does not have a 60106 Agreement.

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

Evaluator Notes:

ND PSC does not have a 60106 Agreement.

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

Evaluator Notes:

ND PSC does not have a 60106 Agreement.

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

Evaluator Notes:

ND PSC does not have a 60106 Agreement.

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

Evaluator Notes:

ND PSC does not have a 60106 Agreement.

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

Evaluator Notes:

ND PSC does not have a 60106 Agreement.

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