

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

2016 Gas State Program Evaluation

for

OREGON PUC

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: Oregon

Agency Status:

Date of Visit: 04/24/2017 - 04/28/2017

Agency Representative: Kevin Hennessy

PHMSA Representative: David Lykken, David Appelbaum

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

Name/Title: Lisa Hardie, Chair

Agency: Oregon Public Utility Commission

Address: P.O. Box 1088

City/State/Zip: Salem, OR 97308-1088

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 | 9.5 |
| 13 | 12.5 |
| 47 | 47 |
| 15 | 15 |
| 10 | 10 |
| 8 | 8 |
| 12 | 12 |
| 0 | 0 |
| 0 | 0 |

TOTALS

115 114

State Rating

99.1

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:

Operator total count should be 20. Attachment 3 Transmission Operator count actual 16? Reported on Attachment 1 as 13. No issues with jurisdiction. Does not change PR scoring. Will submit a corrected Progress Report. During evaluation, State modified/corrected data in FedStar.

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

Evaluator Notes:

Day aligned correctly.

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

See comments under Question 1. Transmission Operator count off. Also "Calpine, Hermiston Power" OPID 31477 not listed in PDM as Active nor Inactive. PM to follow up with operator. Does not affect PR scoring. Will submit a corrected Progress Report. During evaluation, State updated/corrected data in FedStar.

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

Evaluator Notes:

Yes. One reportable incident - Third Party damage to unmarked gas service. Excavator digging outside of stated (one-call) excavation area. One SRC in 2016 ? Pipeline exceeded 10% of MAOP while performing pigging activities. PR matches information in PDM.

- | | | | |
|----------|--|---|-----|
| 5 | Accuracy verification of Compliance Activities - Progress Report Attachment 5 Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|----------|--|---|-----|

Evaluator Notes:

State originally reflected 116 compliance actions, which is incorrect. State needs to correct progress report to reflect 98 corrected in calendar year 2016, and 10 carried over to CY2017. During inspection State corrected/updated FedSTAR. ? point reduction

- | | | | |
|----------|---|---|---|
| 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, State is well organized with records/procedures, etc.

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

Training for personnel found to be complete and accurate.

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

Currently up to date with all applicable federal requirements

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:

Yes. OPUC has promulgated a best practice by integrated Oregon OSHA into their one-call enforcement program.

Goal for 2017 is a transition to IA.

10 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

Total points scored for this section: 9.5
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:

Procedures provide prescriptive, thorough processes.

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

Procedures provide prescriptive, thorough processes.

Page 24, Section "M" for IMP and Section "O" for DIMP

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

Page 22, Section "I" Procedures provide prescriptive, thorough processes.

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

Page 23 Section "L". Extensive list of inspection and investigative activities listed for consideration. Procedures, coupled with onsite training, provide prescriptive, thorough processes.

- | | | | |
|---|--|---|-----|
| 5 | Any operator training conducted should be outlined and appropriately documented as needed. | 1 | 0.5 |
|---|--|---|-----|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

State uses a joint state seminar that's available to operators. State should better incorporate (articulate) in procedures (recommendation). During inspection State modified/updated procedures to adequately satisfy this question. 1/2 point reduction

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

Procedures provide prescriptive, thorough processes. Found on pages 20 ? 22, Section "H".

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

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

- | | | | | |
|----|---|--------------------------------------|--------------------------|---|
| a. | Length of time since last inspection (Within five year interval) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Type of activity being undertaken by operators (i.e. construction) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. | Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| f. | Are inspection units broken down appropriately? | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

Inspection Priorities - Page 13-14, Section "B".

Time Intervals ? Page 14, Section "C". Five years for all types except LNG which is every two years. All elements covered.

8 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

Total points scored for this section: 12.5
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):
350.50

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 $220 \times 3.27 = 718.67$

Ratio: A / B
 $350.50 / 718.67 = 0.49$

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

Evaluator Notes:

Person-day requirements were met

- 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:

Requirements met

Root Cause course on completed by K. Hennessy (PM) and J. Ivey

- 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, PM demonstrated proficiency with 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

Zach Barrett letter sent out 5/4/2016. Response received 5/17/2016. Written procedures and letter template updated to include applicable civil penalty levels.

- 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:

Yes. WA hosted a tri-state (ID, WA, OR) gas seminar May 2015 in Pasco, WA. OR to host seminar in 2018.

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

Evaluator Notes:

Yes, time intervals met

Every five years, except for LNG which is two years (all elements have been met)

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- | | | | |
|----------|--|---|---|
| 7 | Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1 Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

Yes

State uses IA Equivalent form

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- | | | | |
|----------|---|---|----|
| 8 | Did the state review operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken? (NTSB) Chapter 5.1 Yes = 1 No = 0 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

No CI remaining in Oregon

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

Evaluator Notes:

No CI remaining in Oregon

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

Evaluator Notes:

All requirements met

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

Evaluator Notes:

All requirements met

State performing trend analysis on damage ratios (hits/thousand)

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

Evaluator Notes:

Yes, requirements met.

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

Evaluator Notes:

Yes, requirements met

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

Evaluator Notes:

Yes

State does ask operators the question within their general code compliance inspections.

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

Evaluator Notes:

Requirements met

Attachment 2 ? 10 D&A inspections noted

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

Evaluator Notes:

Yes, Inspections complete. Field validations performed during most field inspections. Paper form on file. Form questions answered in OQDB.

- 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
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, inspections complete. Per Attachment 2 ? 39 days devoted to IM activities Plan Review or Field work.

- 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). (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:

Yes. Per Attachment 2 ? 39 days devoted to IM activities Plan Review or Field work.

One DIMP inspection noted ? Avista Utilities

- 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

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Requirements met
Conducted three in 2016

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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). | 1 | 1 |
|-----------|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes
State conducting regular one on one visits with operators

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- | | | | |
|-----------|--|---|---|
| 21 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 | 1 | 1 |
|-----------|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, one SRC reported in 2016.

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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? | 1 | 1 |
|-----------|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes
State asks operators in their threat assessments.

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- | | | | |
|-----------|---|---|---|
| 23 | Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA? | 1 | 1 |
|-----------|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes
Participated as requested

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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. | 1 | 1 |
|-----------|---|---|---|

No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

No issues

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

No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

Yes. Held in Indianapolis, IN on Sept 26 ? 30, 2016.

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- | | | | |
|-----------|---|---|---|
| 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 <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:

Yes, performance metrics discussed

Good damage prevention and root cause analysis demonstrated

State has promulgated a relationship with Oregon OSHA as an accelerated action to mitigate third party damages.

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

Evaluator Notes:

PM will re-evaluate staffing needs. 444 inspection person-days required in CY 2017. Will not achieve at current staffing levels. Currently two FTE's open.

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

Evaluator Notes:

N/A no flow reversal, product changes, and/or conversion to service.

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

Evaluator Notes:

Regarding Question C.2. - Recommended during program evaluation that D. Hoy register for new PL-3322 OQ course.

Total points scored for this section: 47
Total possible points for this section: 47



PART D - Compliance Activities

Points(MAX) Score

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

Evaluator Notes:

Yes. OPUC Guideline Procedures; V Conducting Inspections, Section C General Code Compliance Inspection Guidelines ? Inspection Activities, Section S Notice of Probable Violation Tracking, and Section T Removal or Correction of Probable Violation

- | | | | |
|----------|--|---|---|
| 2 | Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1 Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Were compliance actions sent to company officer or manager/board member if municipal/government system? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Document probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Resolve probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Routinely review progress of probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. | Were applicable civil penalties outlined in correspondence with operator(s) | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

2016 Inspection reports sent to appropriate company officer. Effective CY2017 the CEO / President will be added to correspondence. Probable Violations well documented. Makes good use of photos and other graphics in reports to operators to support PV's. Tracks and reviews progress and resolution of PV's via Master Inspection List. Added applicable civil penalties to operator correspondence.

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

Evaluator Notes:

Yes. Reviewed inspection documentation and associated correspondence. Compliance actions correlate with numbers submitted under Attachment 3 of the Progress Report.

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

Evaluator Notes:

Yes. Process used mirrors written procedures under Sections V, Q, R, S and T.

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

Evaluator Notes:

PM is well versed on process. Civil penalties are considered. Last civil penalty issued in CY2013. OR-PUC Docket UM-1641 in the amount of 40K.

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

Evaluator Notes:

Yes. Last civil penalty issued in CY2013. OR-PUC Docket UM-1641 in the amount of 40K. None issued CY2016.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

Civil penalty amounts added to operator correspondence for CY2016.

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. Section VI Investigation of Incidents, Section F Specific Investigation Issues ? All Incidents/Accidents

- 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:

Yes. PM has familiarity with MOU. OPUC Guideline Procedures; VI Investigation of Incidents B. General Procedures

24hr Pipeline Emergency Reporting 503-378-6965

- 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:

2016 Gas Pipeline Safety Program; Attachment 4 Incidents/Accidents describes decision making process.

- 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:

One reportable incident in CY2016. Investigation thoroughly documented including issuance of final report. Program makes excellent use of photographs and other in reports. Other state safety programs have requested copies of final investigative report as a resource for improving their investigation processes.

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

Evaluator Notes:

N/A. Incident related to third party damage of a pipeline facility. Safety violations identified not associated with a regulated operator.

- 6 Did the state assist region office by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. No issues noted. Program has utilized western region accident investigator as resource in the past and also to notify region when a reportable event occurs.

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

Evaluator Notes:

Yes. CY2016 incident investigation shared with state programs at the NAPSRS Western Region Conference and final report provided to states requesting information.

8 General Comments:
Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

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



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:

State addresses in the summary of their standard compliance and operations inspections.

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

Evaluator Notes:

this is satisfied as part of a comprehensive damage prevention program review.

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

PUC satisfies this requirement through participation in the OUNC

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

State has collected damage data on larger operators and performed sufficient analysis to understand target areas for enhancing excavation safety.

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

Evaluator Notes:

State has actively engaged Oregon OSHA to assist in the enforcement of the one-call rules. This is viewed as a best practice, though the effort is too new to properly assess performance outcomes.

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 OnlyInfo Only
Info Only = No Points

Name of Operator Inspected:

Cascade Natural Gas

Name of State Inspector(s) Observed:

(1) John Ivey, Cody Cox, (2) David Hoy

Location of Inspection:

64500 OB Riley Road, Suite 2, Bend, OR

Date of Inspection:

April 26 and 27, 2017

Name of PHMSA Representative:

David Lykken, David Appelbaum

Evaluator Notes:

1. Public Awareness Audit

2. Pipe replacement project

- 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:

Operator was notified of audit at the beginning of 2017

- 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, PHMSA form 21 (IA Equivalent) used

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

Evaluator Notes:

Yes, no issues noted

- 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:

On April 27, inspector D. Hoy observed performing OQ verifications of Northwest Metal Fab & Pipe, Inc. (a contractor for CNGC). Inspector also verified work being performed was consistent with work plans and associated mapping.

- 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:

See G.5.

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

Evaluator Notes:

Yes, no issues noted

- | | | | |
|---|---|---|---|
| 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, no issues noted

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

Evaluator Notes:

Yes, probable violation and areas of concern were covered

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

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

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

Evaluator Notes:

Audit of Cascade Natural Gas's Bend, OR inspection unit, including: Public Awareness, OQ verifications, new construction and follow-up of welding procedure concerns.

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:

N/A. 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:

N/A. 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:

N/A. 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:

N/A. 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:

N/A. 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:

N/A. 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:

N/A. Not an interstate agent

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

Evaluator Notes:

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

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:

N/A. Not a 60106 program.

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

Evaluator Notes:

N/A. Not a 60106 program.

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

Evaluator Notes:

N/A. Not a 60106 program.

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

N/A. Not a 60106 program.

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

N/A. Not a 60106 program.

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

N/A. Not a 60106 program.

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

Evaluator Notes:

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