



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

1200 New Jersey Avenue SE
Washington DC 20590

2017 Gas State Program Evaluation

for

MONTANA PUBLIC SERVICE COMMISSION

Document Legend

PART:

- O -- Representative Date and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- Program Performance
- D -- Compliance Activities
- E -- Incident Investigations
- F -- Damage Prevention
- G -- Field Inspections
- H -- Interstate Agent State (If Applicable)
- I -- 60106 Agreement State (If Applicable)



2017 Gas State Program Evaluation -- CY 2017

Gas

State Agency: Montana

Agency Status:

Date of Visit: 04/09/2018 - 04/13/2018

Agency Representative: Mr. G. Joel Tierney, Pipeline Safety Program Manager

PHMSA Representative: Patrick Gaume

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

Name/Title: Mr. Brad Johnson, Chairman

Agency: Montana Public Service Commission

Address: 1701 Prospect Avenue,

City/State/Zip: Helena, Montana 59601

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 2017 (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
47	47
15	15
10	10
8	8
12	12
0	0
0	0

TOTALS

115 115

State Rating 100.0

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

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

Evaluator Notes:

A1. Yes. Attachment 1 is correct and is consistent with attachment 3 and attachment 8.

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

Evaluator Notes:

A2. Yes. Conducted a review of the 2017 MPSC Progress Report and found the number of inspection days entered matched the office files. No issues were found. 177 inspection days

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

Evaluator Notes:

A3. Yes. Verified the number of operators and inspection units on Attachment 3 matched the office records maintained by Montana Public Service Commission (MPSC) by reviewing office files. I shared our 2016 Evaluation Guidance, Joel will correct Attachment 3 going forward to show Actual Operator Count, (18), rather than the 'apparent Operator count', (23).

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

Evaluator Notes:

A4. Yes. Verified that there were no reportable incidents in 2017.

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

Evaluator Notes:

A5. Yes. Reviewed Attachment 5, No issues found.

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

Evaluator Notes:

A6. Yes. There is a database 'Pipeline Safety Access Database' that was developed internally by Joel and his team. It is in Microsoft Access, and it is used to track employee time, employee field time, and of the records listed on Attachment 6. Joel demonstrated that everything was 'in there'. In addition, all three personnel have full access to PHMSA PORTAL, Pipeline Data Mart, IA, 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:

A7. Yes, Training agrees with state records and inspector time is correct with state records.

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

Evaluator Notes:

A8. Yes. Attachment 8 is consistent with internal records, the main MT law is 69-3-207, MCA; also, MT PSC Authority 38.5.2202 ARM.

9	List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

A9. Yes. Attachment 10 was properly completed.

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

A10. No loss of points occurred in this section. The year-end Progress Report is consistent with MPSC records and no errors were found. MPSC has generally met the requirements of Part A.

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



PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|---|--|---|---|
| 1 | Standard Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 2 | 2 |
|---|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

B1. Yes. see section 4.1 for pre and post inspection information. See section 4.1 for Standard Inspections.

- | | | | |
|---|--|---|---|
| 2 | IMP and DIMP Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

B2. Yes. see section 4.1 for pre and post inspection information. See section 4.1 for IM Inspections.

- | | | | |
|---|--|---|---|
| 3 | OQ Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

B3. Yes. see section 4.1 for pre and post inspection information. See section 4.1 for OQ Inspections.

- | | | | |
|---|---|---|---|
| 4 | Damage Prevention Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

B4. Yes. see section 4.1 for pre and post inspection information. See section 4.1 for Damage Prevention Inspections.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

B5. Yes. see section 4.1 for Operator Training. Performed 'as needed'.

- | | | | |
|---|--|---|---|
| 6 | Construction Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

B6. Yes. see section 4.1 for pre and post inspection information. See section 4.1 for Construction Inspections.

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

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

- | | | | | |
|----|---|--------------------------------------|--------------------------|---|
| a. | Length of time since last inspection (Within five year interval) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

- | | | | |
|--|--------------------------------------|--------------------------|---|
| c. Type of activity being undertaken by operators (i.e. construction) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| f. Are inspection units broken down appropriately? | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

B7. Yes. see Section IV Inspection Planning. I directed the Program Manager to Link the 'Inspection Schedule' spreadsheet to the Pipeline Office Procedures. The link will be in Section IV. The 'inspection Schedule' spreadsheet has the detail for Unit and Operator ranking.

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

B8. No loss of points occurred in this section. MPSC has generally met the requirements of Part B. MPSC Procedures are in good order except that an important spreadsheet, 'inspection Schedule', needs to be linked into the Procedures.

Total points scored for this section: 13
Total possible points for this section: 13



PART C - Program Performance

Points(MAX) Score

- 1 Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 5 5
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):
177.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 1.40 = 308.00

Ratio: A / B
177.00 / 308.00 = 0.57

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

Evaluator Notes:

C1. Yes. 177 Field inspector days, 1.4 inspector years, $177/(1.4*220)=0.57$ okay

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 5 5
Yes = 5 No = 0 Needs Improvement = 1-4

- | | | | | |
|----|--|--------------------------------------|--------------------------|---|
| a. | Completion of Required OQ Training before conducting inspection as lead? | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Root Cause Training by at least one inspector/program manager | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Note any outside training completed | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. | Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

C2. Yes*5. a,b,c,&e yes for all 3 personnel. Elizabeth is NACE 1 for outside training.

- 3 Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C3. Yes, Joel is well trained and experienced.

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

Evaluator Notes:

C4. Yes. Last year's score was perfect and a response was not required.

- 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:

C5. Yes. conducted the last training in February, 2016.

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

Evaluator Notes:

C6. Yes. inspections are current.

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
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Evaluator Notes:

C7. Yes. Uses IA inspection form except when no form is available. Then uses applicable Fed Form.

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
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Evaluator Notes:

C8. NA. No known Cast iron pipe in Montana.

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

C9. NA. No known Cast iron pipe in Montana.

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
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Evaluator Notes:

C10. Yes. Question is on a supplemental inspection checklist.

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
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Evaluator Notes:

C11. Yes. Question is on a supplemental inspection checklist.

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
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Evaluator Notes:

C12. Yes, Reviews and analyzes Annual Reports and Incident Report Forms.

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

C13. Yes Question is on the Std form, and compares Annual Rpt versus NPMS report on PDM.

14	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
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Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C14. Yes. all operators have the short D&A during Std Inspections. 14 of 18 operators have had the 69-page Long Form D&A insp in 2016 & 2017. The rest are scheduled for 2018.

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- | | | | |
|----|---|---|---|
| 15 | 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:

C15. Yes. all OQ inspections are current.

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- | | | | |
|----|---|---|---|
| 16 | 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? Are replies to Operator IM notifications addressed? (formerly part of Question C-13)). 49 CFR 192 Subpart 0 | 2 | 2 |
|----|---|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C16. Yes. all IM inspections are current.

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- | | | | |
|----|--|---|---|
| 17 | 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 | 2 | 2 |
|----|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C17. Yes. MPSC has a Procedural Review with large operators annually. DIMP review is an item of discussion. DIMP review will be added to the Std Insp supplemental question sheet.

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- | | | | |
|----|---|---|---|
| 18 | 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 be conducted every four years by operators. 49 CFR 192.616 | 2 | 2 |
|----|---|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

C18. Yes. most recent PAPEI were done in 2013. 13 PAPEI are scheduled for 2018. Current for now.

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- | | | | |
|----|---|---|---|
| 19 | 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:

C19. Yes. Montana has a website, for information to all stakeholders. Always available by phone and email.

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- | | | | |
|----|--|---|---|
| 20 | 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:

C20. Yes. No Safety Related Condition Reports have been submitted since ca 1995.

- 21 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:

C21. Yes. Question is on a supplemental inspection checklist.

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

Evaluator Notes:

C22. Yes. NAPSR & PHMSA requests are responded to.

- 23 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:

C23. YES. They monitor one waiver for PA12 pipe with destructive testing every 4 years. Two large LDC have a waiver to combine leak tests and atmospheric corrosion inspections to every 4 years. The inspections are done by the same personnel concurrently.

- 24 Did the state attend the National NAPSR Board of Directors Meeting in CY being evaluated? 1 1
No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

C24. Yes, Joel attended Nat'l NAPSR.

- 25 Discussion on State Program Performance Metrics found on Stakeholder Communication site - <http://primis.phmsa.dot.gov/comm/states.htm> 2 2
No = 0 Needs Improvement = 1 Yes = 2

- a. Discussion of Potential Accelerated Actions (AA's) based on any negative trends Yes ☒ No ☐ Needs Improvement ☐
b. NTSB P-11-20 Meaningful Metrics Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

C25. Yes. MPSC closely monitors all 6 performance measures: Damage Prevention Program, Inspection Activity, Inspector Qualification, Leak Management, Enforcement, and Incident Investigation. The indicators are all neutral or positive. A major success was the 2017 revision of the Damage Prevention Law where MT now requires reporting of line hits and now has civil penalties associated with Damage Prevention violations.

- 26 Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT) Has the State updated SICT data? 1 1
No = 0 Yes = 1

Evaluator Notes:

C26. Yes. MT is okay with their SCIT results for them. MT does not consider SCIT to be better than the old staffing formula.

- 27 Did the State verify Operators took appropriate action regarding Pipeline Flow Reversals, Product Changes and Conversions to Service? See ADP-2014-04 1 1
Needs Improvement = .5 No = 0 Yes = 1

Evaluator Notes:

C27. Yes. MPSC is prepared to address inspection of flow reversals. No known flow reversals in MT.

- 28 General Comments:
Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

C28. No loss of points occurred in this section. MPSC is adequately staffed. MPSC expects to stay current in its inspection duties.

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:

D1. Yes*3. See Procedures Section V.13 which references Commission Rules 38.5.2205-2209 ARM which address Notification, Review, & Closing of Probable Violations

- | | | | |
|----------|--|---|----------|
| 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. | Within 30 days, conduct a post-inspection briefing with the owner or operator of the gas or hazardous liquid pipeline facility inspected outlining any concerns; and | Yes <input checked="" type="radio"/> No <input type="radio"/> Needs Improvement <input type="radio"/> | |
| f. | Within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection. | Yes <input checked="" type="radio"/> No <input type="radio"/> Needs Improvement <input type="radio"/> | |

Evaluator Notes:

D2. Yes*6. MPSC followed their procedures.

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

Evaluator Notes:

D3. yes, all discovered probable violations were issued a compliance action.

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

Evaluator Notes:

D4. Yes. due process is given to all.

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

Evaluator Notes:

D5. Yes, civil penalties are considered and were most recently issued in 2015 and collected in 2016. I encouraged the Program Manager to consider more frequent civil penalties.

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

Evaluator Notes:

D6. Yes, civil penalties were most recently issued in 2015 and collected in 2016. I encouraged the Program Manager to consider more frequent civil penalties.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

D7. No loss of points occurred. MPSC has generally met the requirements of Part D. MPSC has had a good experience with IA; IA makes tracking of inspections more efficient, for pre, during, and especially for post inspection work.

Total points scored for this section: 15
Total possible points for this section: 15



PART E - Incident Investigations

Points(MAX) Score

- 1 Does the state have written procedures to address state actions in the event of an incident/accident? 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

E1. Yes. See Procedures Section VI.9 which address Conducting & Closing of 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 2 2
Yes = 2 No = 0 Needs Improvement = 1

- a. Acknowledgement of MOU between NTSB and PHMSA (Appendix D) Yes ☒ No ☐ Needs Improvement ☐
b. Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

E2. Yes. Appendix D & E are known. The 24hr Emergency Contact phone numbers are verified in all operator Emergency Response Procedures.

- 3 If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

E3. Yes. It is MPSC practice to onsite investigate all significant incidents.

- 4 Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? 3 3
Yes = 3 No = 0 Needs Improvement = 1-2
- a. Observations and document review Yes ☒ No ☐ Needs Improvement ☐
b. Contributing Factors Yes ☒ No ☐ Needs Improvement ☐
c. Recommendations to prevent recurrences when appropriate Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

E4. Yes. Incidents are investigated and documented. Luckily, there were no significant incidents in 2017.

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

Evaluator Notes:

E5. NA. there were no violations for any incident in 2017.

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

Evaluator Notes:

E6. Yes. Good communications with Western Region and the AID. No requests were received in 2017.

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

Evaluator Notes:

E7. Yes, at the NAPS Western Region Meeting and also during the Pipeline Safety Seminars.

8 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

E8. No loss of points occurred. MPSC has generally met the requirements of Part E. MPSC response is detailed when incidents occur.

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:

F1. Yes. Question is on a supplemental inspection checklist. It has also been on the Std Insp Form for the last few years.

- | | | | |
|---|--|---|---|
| 2 | Did the state inspector verify pipeline operators are following their written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system?
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

F2. Yes. Question is on a supplemental inspection checklist. It has also been on the Std Insp Form for the last few years.

- | | | | |
|---|--|---|---|
| 3 | Did the state encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (i.e. such as promoting/adopting the CGA Best Practices encouraging adoption of the 9 Elements, etc.)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

F3. Yes. they encourage operators to adopt the CGA best practices for any procedures. MPSC also encourages participation in One Call and CGA 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)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

F4. Yes. Through 2017 this information is gathered through Annual Reports. Starting in 2018, this information will now also be available through One Call and virtual DIRT. The new Law requires mandatory reporting of ALL line hits.

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

Evaluator Notes:

F5. No loss of points occurred. MPSC has generally met the requirements of Part F. The Major success of 2017 was the passage of the revision of the Damage Prevention Law which finally included all 9 elements of damage prevention including effective civil penalties.

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

Name of Operator Inspected:

Northwestern Energy, opid 31632, Missoula Division Unit

Name of State Inspector(s) Observed:

John Torske, Inspector, Joel & Elizabeth also in attendance

Location of Inspection:

Northwestern Energy office in Missoula, MT. 1801 S Russell St, Missoula, MT 59806

Date of Inspection:

4/11-12/2018

Name of PHMSA Representative:

Patrick Gaume

Evaluator Notes:

G1. Northwestern Energy, opid 31632, Missoula Division Unit, John Torske, Inspector, Joel & Elizabeth also in attendance.
Northwestern Energy office in Missoula, MT. 1801 S Russell St, Missoula, MT 59806, 4/11-12/2018, Patrick Gaume

- | | | | |
|---|--|---|---|
| 2 | Was the operator or operator's representative notified and/or given the opportunity to be present during inspection?
Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

G2. Yes, four company employees participated in the inspection & it was held at the NW Energy office in Missoula.

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

Evaluator Notes:

G3. Yes, the IA Std Distr Insp form was used.

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

Evaluator Notes:

G4. Yes. It was completely filled out.

- | | | | |
|---|--|---|---|
| 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.)
Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

G5. Yes. It was an office Inspection and all procedures and records were available

- | | | | |
|---|--|-------------------------------------|---|
| 6 | Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
| | a. Procedures | <input checked="" type="checkbox"/> | |
| | b. Records | <input checked="" type="checkbox"/> | |
| | c. Field Activities | <input type="checkbox"/> | |
| | d. Other (please comment) | <input type="checkbox"/> | |

Evaluator Notes:

G6. Yes*2. The focus of the inspection was procedures and records.

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

G7. Yes. John was very knowledgeable, thorough and conducted himself in a professional manner.

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

G8. Yes. No violations found. The operator was very cooperative and well prepared.

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:

G9. Yes. No violations found. The operator was very cooperative and well prepared.

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 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 type="checkbox"/> |
| r. | Moving Pipe | <input type="checkbox"/> |
| s. | New Construction | <input 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 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 type="checkbox"/> |
| H. | Compliance Follow-up | <input type="checkbox"/> |
| I. | Atmospheric Corrosion | <input type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

G10. Yes. This was a standard inspection for procedures and records. The inspection was performed in a professional, courteous, and thorough manner.

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



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

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

Evaluator Notes:

H1-8. NA

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

H1-8. NA

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

H1-8. NA

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

H1-8. NA

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

H1-8. NA

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

H1-8. NA

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

H1-8. NA

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

Evaluator Notes:

H1-8. NA

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

Evaluator Notes:

I1-7. NA

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

Evaluator Notes:

I1-7. NA

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

Evaluator Notes:

I1-7. NA

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

Evaluator Notes:

I1-7. NA

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

Evaluator Notes:

I1-7. NA

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

Evaluator Notes:

I1-7. NA

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

Evaluator Notes:

I1-7. NA

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