



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

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)



2017 Gas State Program Evaluation -- CY 2017

Gas

State Agency: Oregon

Agency Status:

Date of Visit: 04/09/2018 - 04/11/2018

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 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

Possible Points Points Scored

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)

10	9
13	13
45	45
15	15
10	10
8	8
11	11
0	0
0	0

TOTALS

112 111

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:
No issues noted.

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

Evaluator Notes:
No issues. Information appears accurate per review of program's activity reports.

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

Evaluator Notes:
No significant issues. A couple of discrepancies noted with the operator unit totals on attachment 3 when comparing with Attachment 1. Attachment 1 information correct. Error corrected in a supplemental submittal.

- | | | | |
|---|--|---|---|
| 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. No issues. Single reportable in CY2017. PR entries matches information in PDM.

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

Evaluator Notes:
No significant errors. Discrepancy with number to be corrected at end of CY2016 including carry over to CY2017. Error corrected in a supplemental submission.

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

Evaluator Notes:
All inspections kept in binders and electronically

- | | | | |
|---|--|---|---|
| 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:
Information verified through T&Q SABA training site.. Training for personnel found to be complete and accurate.

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

Evaluator Notes:
One point deduction for inaccurate entry for 120 - 80 FR 12779 dated 10/1/2015 Miscellaneous Changes to Pipeline Safety Regulations (Part 192.305 DELAYED) requiring change in Progress Report scoring. Error corrected in a supplemental submission. OPUC Order #16-180 dated 5/17/2016.

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. One inspector vacancy filled in 2017.

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

Evaluator Notes:

Question A-8. One point deduction for inaccurate entry in Attachment 8 - Rules and Amendments.

Total points scored for this section: 9
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:

Yes. Oregon Public Utility Commission's Standard Operating Procedures, Section V contains pre-inspection, inspection and post inspection procedures. This information is listed on pages 11-25.

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

Yes. Oregon Public Utility Commission's Standard Operating Procedures, Section V, chapters N and P contains pre-inspection, inspection and post inspection procedures. This information is listed on pages 24-25.

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

Yes. Oregon Public Utility Commission's Standard Operating Procedures, Section V, chapter I contains pre-inspection, inspection and post inspection procedures. This information is listed on page 22.

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

Yes. Oregon Public Utility Commission's Standard Operating Procedures, Section V, chapter M contains pre-inspection, inspection and post inspection procedures. This information is listed on pages 23-24.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. Oregon Public Utility Commission's Standard Operating Procedures, Section V, chapter L contains pre-inspection, inspection and post inspection procedures. This information is listed on page 23.

Program Manager made some minor enhancements to this procedure during the evaluation to further enhance clarity.

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

Yes. Oregon Public Utility Commission's Standard Operating Procedures, Section V, chapter H contains pre-inspection, inspection and post inspection procedures. This information is listed on page 20. State does have a procedure where operators will notify the Commission via email on all construction and general code compliance issues.

- 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 ☒ No ☐ Needs Improvement ☐
- b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) Yes ☒ No ☐ Needs Improvement ☐
- c. Type of activity being undertaken by operators (i.e. construction) Yes ☒ No ☐ Needs Improvement ☐
- d. Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc) Yes ☒ No ☐ Needs Improvement ☐
- 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 ☒ No ☐ Needs Improvement ☐
- f. Are inspection units broken down appropriately? Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Yes. Oregon Public Utility Commission's Standard Operating Procedures, Section V, chapter B contains inspection priorities. Chapter C contains time intervals for inspections. This information is listed on pages 13 and 14.

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

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):
437.50

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 3.66 = 805.75

Ratio: A / B
437.50 / 805.75 = 0.54

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

Evaluator Notes:

Total inspection days/ratio met. No issues.

- 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:

No issues noted.

- 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 demonstrates proficiency with regulations and safety program.

- 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. PHMSA State Programs letter sent out 5/5/2017. Response received 6/29/2017.

- 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. Tri-State (WA, ID, OR) T&Q seminar last held in WA May 2015. OR to hold seminar in CY2018.

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

Evaluator Notes:

Yes. This requirement has been met satisfactorily.

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

Yes. No issues noted. Except for daily construction form program utilizes PHMSA IA equivalent inspection forms.

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

No CI remaining in Oregon

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

Yes. Questions asked PHMSA Form-2 Gas Distribution Inspection Procedures-Emergency page 6. and PHMSA Form-1 Gas Transmission Std Inspections Procedures-Emergency Response.

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

Yes. Data pulled from agency investigation reports, CGA DIRT, PDM. Program performs 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 |
|----|--|---|---|
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Evaluator Notes:

Yes. Operator Annual Reports and incident reports reviewed annually. Data gleaned from reports including raw data pulled from PDM are loaded into spreadsheet for historical reference, risk analysis and inspection scheduling.

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| 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:

State does ask operators the question within their general code compliance inspections, form 1.
PHMSA encouraged OPUC to ensure accuracy of mileage submitted by operators and take steps to reconcile discrepancies.

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

Yes. Records were reviewed and State appears to be in compliance with this requirement.

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

Evaluator Notes:

Yes, Records were reviewed and State appears to be in compliance with this requirement. A deep dive into Ash Grove Cement was done and OPUC has met all requirements.

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

Evaluator Notes:

Yes, Records were reviewed and State appears to be in compliance with this requirement. A deep dive of Avista Utilities was done and the OPUC has met all requirements.

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

Evaluator Notes:

Yes, Records were reviewed and State appears to be in compliance with this requirement. Last DIMP inspection was performed in 2016, but integrity verifications are made continuously. Next DIMP plan review is scheduled for 2020 with Northwest Natural Gas.

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

Evaluator Notes:

Yes, Records were reviewed and State appears to be in compliance with this requirement. A deep dive was conducted on ConAgra Foods and OPUC conducted appropriate, and timely, inspections.

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

Evaluator Notes:

State conducts regular one on one visits with operators. Information to the public is only made through public records requests.

PHMSA recommended to OPUC they consider posting information contained on attachment 5 on their website.

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

N/A. No reported SRC's in CY2017.

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? Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

Yes. State asks operators in their threat assessments. Program uses DIMP IA equivalent form for conducting written plan and field validation inspections. Maintains copies of company integrity management written plans on site.

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

Yes. Participates in surveys such as Bio-gas in distribution systems, Underground Storage survey, GAO Pipeline Odorization - State surveys

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. No = 0 Needs Improvement = .5 Yes = 1	1	1
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Evaluator Notes:

Open waiver PHMSA-2012-0323 not posted to PHMSA web site regarding use of alternative strength testing methods for certain identified pipeline segments. Testing as not proceeded.

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

Yes. Did attend national meeting in Ohio.

25	Discussion on State Program Performance Metrics found on Stakeholder Communication site - http://primis.phmsa.dot.gov/comm/states.htm No = 0 Needs Improvement = 1 Yes = 2	2	2
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|----|---|--------------------------------------|--------------------------|---|
| 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, Had a comprehensive discussion on performance metrics and trend analysis.

Last remaining master meters were removed and operation of assets assumed by Avista Utilities.

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

Discussed the states submission of inspection days into the State Inspection Day Calculation Tool. No significant changes to inspections day calculation and have not identified any additional staffing needs.

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

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

28 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

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



PART D - Compliance Activities

Points(MAX) Score

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

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

2017 Inspection reports sent to appropriate company officer. 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. Needs improvement/constancy Added applicable civil penalties to operator correspondence.

Discussed requirements for 30 day and 90 day to communicate findings via exit interview and letter to operator. Essentially meeting this requirement already.

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|----------|--|---|---|
| 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 appear to correlate with numbers submitted under Attachment 3 of the Progress Report.

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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:

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

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

Evaluator Notes:

PM familiar with process. Civil penalties are considered. Last civil penalty issued in CY2013 in the amount of 40K.

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:

As stated in last evaluation results, last civil penalty issued in CY2013 in the amount of 40K. None issued CY2017.

Discussed with the PM the importance of utilizing its fining authority for violations of pipeline safety regulations in addition to alternative enforcement methods used in the past.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

Recommendation pertaining to question D1. PHMSA recommended to the OPUC they enhance their ability to demonstrate (i.e., records or other documentation) that operator compliance actions have been completed to the satisfaction to the Commission.

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. Part VI Investigation of Incidents, Section F Specific Investigation Issues including On-site Incident/Accident Investigations addressed.

- 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. Stated in OPUC Guideline Procedures; Part VI Investigation of Incidents Section B, page 34. General Procedures

24hr Pipeline Emergency Reporting 503-378-6965

PM has recommended that the MOU between the NTSB and PHMSA should be reviewed and updated in recognition of new processes developed including communications to state programs as part of the newly created PHMSA Accident Investigation Division.

- 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:

Yes. One federal reportable: Incident Date 02/28/2017 Incident # 20170026-16516

No on-site visit warranted. Reported by operator on 3/10/2017 after cost of repair identified as exceeding 50K threshold.

- 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:

No site visit conducted for single federal reportable in CY2017. Investigations related excavation damage were sufficiently investigated, factors considered and dispositions where appropriate.

- 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. Single federal reportable related to cost of leak repair. No compliance action taken. As in CY2016 instances related to third party damage of a pipeline facility not associated with a regulated operator.

- 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:

No issues. Single reportable finalized at time of original submission.

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

Evaluator Notes:

Yes. Program shares their "state-of-the-state" during regional NAPS meetings - no issues.

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

Evaluator Notes:

Question E-2: PM has recommended that the MOU between the NTSB and PHMSA should be reviewed and updated in recognition of new processes developed including communications to state programs as part of the newly created PHMSA Accident Investigation Division.

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.
Reviewed an inspection of Northwest Natural Gas from December 5, 2017 where this topic was discussed.

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

State appears to be in compliance with this requirement. Compliance was further verified during a comprehensive damage prevention program review (Part 196 compliance).

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

OPUC satisfies this requirement primarily 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:

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:

Northwest Natural

Name of State Inspector(s) Observed:

Ray Muller

Location of Inspection:

3548 Country Club Rd. Salem, OR

Date of Inspection:

4/11/2018

Name of PHMSA Representative:

David Lykken, David Appelbaum

Evaluator Notes:

Observed installation of new construction gas service by NWN contractor Loy Clark.

- 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, Operator was notified and was present during evaluation.

- 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. Pipeline Safety Inspection form (OPUC FM242) used during inspection. Good notes taken.

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

Evaluator Notes:

Yes. Inspector observations were well documented.

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

Evaluator Notes:

Yes. Inspector verified instrument calibration checks as well as checking the general condition of equipment used by the operator.

- 6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) 2 2
Yes = 2 No = 0 Needs Improvement = 1

a. Procedures ☒

b. Records ☒

c. Field Activities ☒

d. Other (please comment) ☐

Evaluator Notes:

Yes. The inspector reviewed operator construction work order information including pipe sizing and length of installation information, operator qualification transcripts, and written procedures relevant PE service installations.

- | | | | |
|---|---|---|---|
| 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. Inspector new to program but demonstrated adequate knowledge.

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

Final exit interview not observed since inspection is ongoing. No issues identified while on-site.

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

Evaluator Notes:

N/A. Job not completed while on-site.

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

Inspector did good job of noting observations during site visit. Staff checked condition of crew equipment such as pressure testing devices. Recorded pipe materials and fittings to used at site. Checked operator qualification transcripts and requested dig tickets from contractor on site.

Total points scored for this section: 11
Total possible points for this section: 11



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

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

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

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

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

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

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

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

Evaluator Notes:

Not an Interstate Agent

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

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

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

Evaluator Notes:

N/A - Not a 60106 State

- | | | | |
|----------|--|---|----|
| 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 State

- | | | | |
|----------|---|---|----|
| 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 State

- | | | | |
|----------|---|---|----|
| 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 State

- | | | | |
|----------|--|---|----|
| 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 State

- | | | | |
|----------|--|---|----|
| 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 State

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

Evaluator Notes:

N/A - Not a 60106 State

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