



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

1200 New Jersey Avenue SE
Washington DC 20590

2018 Gas State Program Evaluation

for

NORTH DAKOTA PUBLIC SERVICE COMMISSION

Document Legend

PART:

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



2018 Gas State Program Evaluation -- CY 2018

Gas

State Agency: North Dakota

Agency Status:

Date of Visit: 07/22/2019 - 07/26/2019

Agency Representative: Patrick Fahn

Aaron Morman

PHMSA Representative: David Appelbaum

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

Name/Title: Brian Kroshus, Chairman

Agency: North Dakota Public Service Commission

Address: 600 East Boulevard Avenue

City/State/Zip: Bismarck, North Dakota 58505-0480

Rating:

60105(a): Yes **60106(a):** No **Interstate Agent:** Yes

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 2018 (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.

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
13
44
15
4
8
12
0
0

9.5
13
38
15
4
6
12
0
0

TOTALS

106 97.5

State Rating

92.0

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:

Attachment 1 showed 11 operators listed as Transmission while PDM only showed 9. Also Attachment 1 showed 9 operators listed as Gathering while PDM only reflected 7.
The NDPSC said they are in dispute about jurisdictional authority with two of their operators, who have not submitted annual reports, which accounts for the discrepancy between Attachment 1 and PDM.
Attachment 1 is correct, full credit issued. The NDPSC needs to contact these operators and have them submit the appropriate annual reports, or otherwise reconcile this discrepancy.

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

Verified inspection days with the NDPSC database for total number of days. The numbers reported on the Progress Report seem accurate.

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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 |
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Evaluator Notes:

Attachment 3 showed 11 operators listed as Transmission while PDM only showed 9. Also Attachment 1 showed 9 operators listed as Gathering while PDM only reflected 7.
The NDPSC said they are in dispute about jurisdictional authority with two of their operators, who have not submitted annual reports, which accounts for the discrepancy between Attachment 1 and PDM.
Attachment 3 is correct, full credit issued. The NDPSC needs to contact these operators and have them submit the appropriate annual reports, or otherwise reconcile this discrepancy.

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

There were no reportable incidents in 2018.

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

Evaluator Notes:

NDPSC listed a total of 6 compliance actions found in 2018 on Attachment 5. A review of the records determined there were only two.
The NDPSC had conducted two inspections during the calendar year that yielded compliance actions. In one of those inspections they found five probable violations, and in the other inspection, they found one. The NDPSC incorrectly added the number of "probable violations," and included that total (six), on Attachment 5. PHMSA discussed the difference between "compliance actions" and "probable violations."
A supplemental correction to the Progress Report will be made - half point deduction.

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

There are no paper files kept in the office. All reports and correspondence is kept electronically. All NOPVs are viewable through the NDPSC website.

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

Verified training with NDPSC records and Blackboard.

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

North Dakota's rules and amendments for adoption has been reported accurately.

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| 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:

Yes, a sufficient list of detailed information on accomplishments and future activities was provided. NDPSC was encouraged to develop goals on dig-in reduction.

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

The NDPSC generally complied with the requirements of Part A of this evaluation.

Total points scored for this section: 9.5
Total possible points for this section: 10



PART B - Program Inspection Procedures

Points(MAX) Score

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

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

The Procedures give sufficient guidance to inspectors on how to perform a standard inspection which includes pre and post inspection activities records review and field inspection. The standard inspections include a records review and a field inspection.

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

NDPSC has bolstered their procedures since last year, though there remains room for improvement. No point deduction - see B-8 for details.

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| 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:

Procedures are in place to give guidance to inspectors conducting OQ inspections. Procedure has been updated from last year and is sufficient for full credit.
See for question 8 for further suggestions.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Damage Prevention inspections are conducted at intervals not exceeding 5 years.

Procedure has been updated from last year and is sufficient for full credit.
See for question 8 for further suggestions.

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| 5 | Any operator training conducted should be outlined and appropriately documented as needed. | 1 | 1 |
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Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Procedure has been updated from last year and is sufficient for full credit.
See for question 8 for further suggestions.

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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:

Procedure has been updated from last year and is sufficient for full credit.
See for question 8 for further suggestions.

7	Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? Yes = 6 No = 0 Needs Improvement = 1-5	6	6
a.	Length of time since last inspection (Within five year interval)	Yes <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>
b.	Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)	Yes <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>
c.	Type of activity being undertaken by operators (i.e. construction)	Yes <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>
d.	Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc)	Yes <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>
e.	Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors)	Yes <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>
f.	Are inspection units broken down appropriately?	Yes <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>

Evaluator Notes:

Yes, the NDPSC procedures have prioritization of inspections which include previous violations, time since last inspection. special activities being undertaken by operator, high risk/HCA areas, and facility pipe type (cast iron, bare steel, etc). Units are broken down by town except for large operators. Large operators are broken down by operating areas.

8 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

Last year PHMSA made a general observation that procedures needed further detail to give enough guidance to inspectors. Procedures basically referenced a form to use as a guidance. The procedures needed to give more detail and guidance on how to perform a program inspection. Since last year, the NDPSC has made improvements to address deficiencies and was awarded full credit for the questions in this section. PHMSA recommends the NDPSC again review their procedures to ensure enough clarity is provided to ensure inspectors know the specific steps to take regarding inspections. Specifically, the pre-inspection, inspection and post-inspection activities. PHMSA provided another state's procedure manual as a guide and the NDPSC committed to reviewing and rewriting their 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):
165.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 1.33 = 293.52

Ratio: A / B
165.00 / 293.52 = 0.56

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

Evaluator Notes:

The total inspection person days to total person days ratio is above the required .38. Verified progress report days with NDPSC data.

- 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

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

Yes all inspectors are qualified to lead inspections. Only course which is required is the LNG course which inspector is scheduled to take in August 2019. State does not have an inspector who has taken the LNG Course.

- 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:

Patrick Fahn is the interim Program Manager and is proficient with the pipeline safety program and regulations.

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

Evaluator Notes:

Yes, Chairman Christmann's response letter to Zach Barrett was received on March 15, 2019. PHMSA's outbound letter was dated February 8, 2019, thus the State responded within the 60-day time requirement.

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

Evaluator Notes:

State usually has a seminar every other year which they co-host with S. Dakota. The 2018 seminar was not held because the Program Manager at the time decided it wasn't required.

NDPSC held a seminar in April 2019 that had 107 attendees.

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

Records review determined that the NDPSC is overdue on four CRM inspections and one O&M inspection (greater than 60 days). NDPSC also acknowledged that a required OQ inspection (Targa B Gathering) has never been done.

Since all inspections have not been completed within 60 days of established dates, there is a five point deduction.

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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, the NDPSC uses the PHMSA forms for all inspections except for specialized inspection like construction or field inspections.

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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:

There is no cast iron in North Dakota.

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| 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:

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

Yes, the NDPSC utilizes the PHMSA forms which include the review of operators response procedures for leaks caused by excavation damage near buildings.

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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, NDPUC reviews incident reports during investigations and inspections to assure adequate operator response to incidents.

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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, the NDPSC reviews annual reports for accuracy and analyze data.

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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:

Yes, NDPSC asks operators during inspections if they have submitted information into the NPMS database. A review of the of PDM was done and NPMS and AR data was consistent.

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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, the NDPSC conducts Drug and Alcohol inspections to verify operators are comply with the regulations.

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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 |
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Evaluator Notes:

Yes, the NDPSC conducts OQ program inspections at 5 year intervals and conduct OQ field inspections during their inspections.

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

NDPSC is up to date with their IMP inspection schedule.

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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 |
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Evaluator Notes:

NDPSC conducted one DIMP inspection on MDU in 2018.

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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 |
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Evaluator Notes:

Yes, the NDPSC sufficiently conducted Drug and Alcohol inspections to verify operators are comply with the regulations.

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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 |
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Evaluator Notes:

Yes, the NDPSC has an open record system on their website where the public can view any cases issued by the NDPSC.

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| 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:

There were no SRCs in 2018

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| 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:

NDPSC has this matter addressed in their IA equivalent inspection for records.

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| 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, the program manager responds to surveys and information requested by NAPSRS or PHMSA.

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| 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:

There is one waiver involving MDU which allows them to conduct atmospheric corrosion surveys every 4 years instead of 5 years but they have to conduct leak surveys every 4 years instead of 5. The waiver conditions are verified during inspections.

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

State did not attend the National NAPSRS and did not have an approved reasonable extenuating circumstance for not attending.

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| 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:

Discussed the performance metrics which seem to be trending in a positive direction. Outstanding leaks, hazardous leaks and leaks repaired have all gone down in the total number which is a positive trend. In addition the damages per 1,000 has decreased in last several years. The NDPSC reviews and analysis annual reports for any dramatic changes from previous years and figure out what caused those changes.

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| 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 | NA |
|-----------|--|---|----|

Evaluator Notes:

Discussed the accuracy of the inspection day information submitted into the SICT. The numbers entered for 2019 will be difficult to meet (163 days). The loss of Craig Reamann in September 2018 has potentially impacted the ability to meet the 2019 inspection days and the state has not yet hired his replacement.

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

Evaluator Notes:

28 General Comments: Info OnlyInfo Only
Info Only = No Points

Evaluator Notes:

Total points scored for this section: 38
Total possible points for this section: 44



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:

Procedures sufficiently state that correspondence is sent to company official or gov't official if a municipality.

Procedures provide guidance from the issuance to the resolution of compliance actions, and guidance to avoid breakdown or delays in compliance actions.

Procedures provide steps on closing out cases with outstanding probable violations.

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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? (Incident Investigations do not need to meet 30/90 day requirement) 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:

A couple inspections were reviewed and found generally to be in compliance with this requirement.

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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 |
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Evaluator Notes:

Yes, reviewed one of the two compliance letters sent to operators pertaining to non-compliance with the pipeline safety regulations. Letter and attached inspection report listed the violations found and action that needed to be taken to correct the violations.

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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, the compliance actions give reasonable due process to all parties The operators can request a hearing to contest any probable violations issued.

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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:

Yes, the Program Manager is familiar with the civil penalties process.

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

Evaluator Notes:

Yes, the NDPSC issued civil penalties on 2 compliance actions last year and collected \$9,000 in penalties.

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

Evaluator Notes:

The NDPSC is generally complying with Part D of the Evaluation. PHMSA recommended the NDPSC create a compliance action spreadsheet to assist in tracking and resolving compliance orders.

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:

The NDPSC has provided sufficient detail in their procedures to address state actions in the event of an incident/accident.

See B-8 for PHMSA's recommendation on the NDPSC bolstering their procedures.

- 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:

Procedures is included in "Incident Investigations" on page 16. The on-call inspector or Program Manager is contacted by operator to report incidents after-hours.

- 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 NA

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

No Federally reportable incident in 2018.

- 4 Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? 3 NA

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:

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

Yes = 1 No = 0

Evaluator Notes:

- 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 NA

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

None conducted

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

Evaluator Notes:

Yes, lessons learned are shared during the NAPSRR Regional meeting.

- 8 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

Total points scored for this section: 4
Total possible points for this section: 4



PART F - Damage Prevention

Points(MAX) Score

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

Evaluator Notes:

The NDPSC can not provide documentation that this question was covered during inspections, and this matter was discussed in last year's evaluation - two point deduction.

Last year's evaluation stated:

"Construction form mentions boring but is to vague to give inspector guidance to ask about directional drilling/boring procedures and actions taken to protect their facilities from dangers posed by drilling or other trenchless technologies. NDPSC needs more detail on construction form or add guidance to procedures."

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

Yes, the inspection forms cover the operator procedures pertaining to one call system and the processing of notifications.

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

Yes, the NDPSC participate in damage prevention meetings and seminars to promote CGA best practices.

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

Evaluator Notes:

Yes, there is dedicated employee who has data available and monitors damages throughout the state.

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

Evaluator Notes:

The NDPSC is generally complying with Part F of the Evaluation.

Total points scored for this section: 6
Total possible points for this section: 8

PART G - Field Inspections

Points(MAX) Score

- | | | |
|---|--|--------------------|
| 1 | Operator, Inspector, Location, Date and PHMSA Representative | Info OnlyInfo Only |
| | Info Only = No Points | |

Name of Operator Inspected:

Montana-Dakota Utilities

Name of State Inspector(s) Observed:

Aaron Mormon, Inspector

Location of Inspection:

Bismarck, ND

Date of Inspection:

July 23, 2019

Name of PHMSA Representative:

David Appelbaum

Evaluator Notes:

Mr. Aaron Mormon, NDPSC, conducted an OQ inspection of MDU while performing maintenance activities at a regulator station. Field inspection also included the exercising of an emergency valve.

Inspector reviewed procedures and OQ Tasks and assured technician followed the procedures. The AOCs were also verified with the technician while performing the task.

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

Evaluator Notes:

Yes, the operator was notified with enough notice to allow representatives to be present during inspection.

- | | | | |
|---|---|---|---|
| 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, the inspector had an inspection form to use as a guide and to document the inspection.

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

Evaluator Notes:

Yes

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

Evaluator Notes:

Yes, the inspector checked to for the equipment needed to perform the task.

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

Evaluator Notes:

MDU provided procedures used for the tasks at hand. NDPSC noted that procedures need modification to comply with 192.605. NDPSC will pursue developing a notice of amendment.

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

Yes, Mr. Morman is very knowledgeable of the pipeline safety program and regulations.

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

Evaluator Notes:

Yes, Mr. Morman conducted an exit interview at the completion of the inspection.

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

Evaluator Notes:

Yes

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	Info Only
----	--	-----------	-----------

Info Only = No Points

- | | | | |
|----|-----------------------------------|-------------------------------------|--|
| 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 checked="" 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 checked="" 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 checked="" type="checkbox"/> | |
| C. | Tapping | <input type="checkbox"/> | |

- | | | |
|----|-----------------------------|-------------------------------------|
| D. | Valve Maintenance | <input checked="" 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 checked="" type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

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:

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

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

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

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

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

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

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

Evaluator Notes:

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

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

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

Evaluator Notes:

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

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

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

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

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

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

Evaluator Notes:

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