



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

1200 New Jersey Avenue SE
Washington DC 20590

2011 Natural Gas State Program Evaluation

for

MICHIGAN 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)



2011 Natural Gas State Program Evaluation -- CY 2011
Natural Gas

State Agency: Michigan

Agency Status:

Date of Visit: 04/18/2012 - 08/02/2012

Agency Representative: David Chislea, Program Manager

PHMSA Representative: Rex Evans

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

Name/Title: John Quackenbush, Chairman

Agency: 6545 Merchantile Way

Address: PO Box 30221

City/State/Zip: Lansing, MI 48909

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 2011 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

The field inspection form used will allow different areas of emphasis to be considered for each question. Question 13 is provided for scoring field observation areas. In completing PART G, the PHMSA representative should include a written summary which thoroughly documents the inspection.

Scoring Summary

PARTS

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

Possible Points Points Scored

10	10
15	12.5
44	40
14	12
9	4.5
8	8
12	12
7	7
0	0

TOTALS

119 106

State Rating 89.1

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 (A1a)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

Information all ok, made changes to Attach 1 to muni and master meter they do have jurisdiction but no operators.

- | | | | |
|---|--|---|---|
| 2 | Review of Inspection Days for accuracy - Progress Report Attachment 2 (A1b)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

Information appears accurate, matched to inspection records

- | | | | |
|---|--|---|---|
| 3 | Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3 (A1c)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

Cross check of operators in inspection database, all ok

- | | | | |
|---|--|---|---|
| 4 | Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 (A1d)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

Listing appears correct and thorough

- | | | | |
|---|--|---|---|
| 5 | Accuracy verification of Compliance Activities - Progress Report Attachment 5 (A1e)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

All ok

- | | | | |
|---|---|---|---|
| 6 | Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 (A1f, A4)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Mostly electronic files, all accessible

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|---|--|---|---|
| 7 | Was employee listing and completed training accurate and complete? - Progress Report Attachment 7 (A1g)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

No issues

- | | | | |
|---|---|---|---|
| 8 | Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

all ok

- | | | | |
|---|---|---|---|
| 9 | List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 (H1-3)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

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

Info OnlyInfo Only

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



PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|----------|--|---|---|
| 1 | Standard Inspections (B1a)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

All areas appear to be covered. Michigan program has objective of completing all sections of a standard inspection over four year period. This is a cause of concern and recommend they evaluate the appropriateness of this.

- | | | | |
|----------|---|---|-----|
| 2 | IMP Inspections (including DIMP) (B1b)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|----------|---|---|-----|

Evaluator Notes:

Improvement needed in this area, they need to have a more defined plan of their IMP inspections which includes an annual review in order to be kept up to date with what their operators are doing. No real organized plan at this time.

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|----------|---|---|-----|
| 3 | OQ Inspections (B1c)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|----------|---|---|-----|

Evaluator Notes:

Needs improvement. They are doing limited amount of OQ during field inspections, but a company Headquarters full blown evaluation needs to be updated to ensure each operator has a solid plan and all employees are assessed and reassessed appropriately.

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|----------|--|---|---|
| 4 | Damage Prevention Inspections (B1d)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

They have inspection segment in place for damage prevention inspections.

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|----------|--|---|---|
| 5 | On-Site Operator Training (B1e)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

no issues

- | | | | |
|----------|---|---|-----|
| 6 | Construction Inspections (B1f)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|----------|---|---|-----|

Evaluator Notes:

Construction procedures do not point to checklists that are needed to conduct inspections. Needs improvement.

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|----------|--|---|---|
| 7 | Incident/Accident Investigations (B1g)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
|----------|--|---|---|

Evaluator Notes:

Needs improvement to emphasize the closure and resolution of incidents and the use of checklist to ensure all points are covered.

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|----------|---|---|---|
| 8 | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? (B2a-d, G1,2,4)
Yes = 6 No = 0 Needs Improvement = 1-5 | 6 | 6 |
|----------|---|---|---|

- | | | | | |
|----|--|--------------------------------------|--------------------------|---|
| a. | Length of time since last inspection | 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 ☒ No ☐ Needs Improvement ☐

f. Are inspection units broken down appropriately?

Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

They are in operators properties almost every year and larger operators at least twice to do portions of standard inspection. Review needed of what they go out to field and verify. Discussed use of risk to see what operators may need to be inspected earlier than others during year.

9 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

Repeat from first question in this section. Comprehensive review time frame should be looked at to ensure portions do not go to long without inspection of certain maintenance records.

Total points scored for this section: 12.5
Total possible points for this section: 15



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 (A12) 5 5
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):
514.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 5.70 = 1254.00

Ratio: A / B
514.00 / 1254.00 = 0.41

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

Evaluator Notes:

No issues

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines for requirements) Chapter 4.4 (A8-A11, G19) 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"/> |

Evaluator Notes:

Curriculum needs to be reviewed for completeness by program. Other inspectors should complete root cause along with remainder of IMP curriculum. OQ and other CBT's can be taken at any time.

- 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 (A5) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

No issues

- 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 (A6-7) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Issues were responded to and appear to be addressed at this time

- 5 Did State hold PHMSA TQ Seminar in Past 3 Years? Chapter 8.5 (A3) 2 2
Yes = 2 No = 0

Evaluator Notes:

June 21-22,2011

- 6 Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 (B3) 5 5
Yes = 5 No = 0 Needs Improvement = 1-4

Evaluator Notes:

Recommended that intervals for inspection of all operators maintenance records be shortened down to every one-two years. It appears all operators have been covered although it is very difficult to determine if complete inspection has been completed due to division of checklist into four years.

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 (B4-5) Yes = 2 No = 0 Needs Improvement = 1	2	1
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Evaluator Notes:

It appears inspection forms covered all of code requirements, although need to check for updates accordingly. In some instances reviewed Inspection case 163322, there was no inspection form attached at all. Improvement needed clarity.

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 (B7) Yes = 1 No = 0	1	1
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Evaluator Notes:

This appears to be covered, recommended more specificity on operator checklist

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 (B8) Yes = 1 No = 0	1	1
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Evaluator Notes:

Also recommend more specificity on checklist.

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 (B9) Yes = 1 No = 0	1	1
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Evaluator Notes:

Recommend specificity in operator checklist

11	Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 192.617? Chapter 5.1 (B10,E5) Yes = 1 No = 0	1	1
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Evaluator Notes:

General coverage in 192.617, more specificity in checklist

12	Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? Data Initiative (G6-9,G16) Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:

Reports were manually reviewed and appear to have been covered

13	Did state input all applicable OQ, IMP inspection results into federal database in a timely manner? This includes replies to Operator notifications into IMDB database. Chapter 5.1 (G10-12) Yes = 2 No = 0 Needs Improvement = 1	2	1
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Evaluator Notes:

Databases reviewed. Recommend review of quantity of OQ inspections and thoroughness. Aug 22, 2011 OQ inspection of SEMCO incomplete. IMP program needs reviewed for completeness and Protocol A inspections completed on all transmission operators

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|-----------|---|---|---|
| 14 | Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission? (G14)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

No issues, should place specific question on inspection checklist

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- | | | | |
|-----------|--|---|---|
| 15 | Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199 (I1-3)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

This is included in inspection cycle. Review needed of updated checklists.

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- | | | | |
|-----------|--|---|---|
| 16 | Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 192 Part N (I4-7)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
|-----------|--|---|---|

Evaluator Notes:

No plan update reviews have been conducted recently. Comprehensive review and update needed.

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|-----------|--|---|---|
| 17 | Is state verifying operator's gas transmission integrity management programs (IMP) are up to date? This should include a previous review of IMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart O (I8-12)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Improvement needed to ensure plans are covered comprehensively. Multiple inspectors should be trained appropriately and operator progress reviewed on an annual basis.

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- | | | | |
|-----------|---|-----------|-----------|
| 18 | Is state verifying operator's gas distribution integrity management Programs (DIMP)? This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart P
Info Only = No Points | Info Only | Info Only |
|-----------|---|-----------|-----------|

Evaluator Notes:

In process, no issues at this time.

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- | | | | |
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| 19 | Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 192.616 (I13-16)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

Previous review completed. New public awareness training needs to be reviewed to ensure effectiveness is verified, which is covered in this training. On 2012 schedule for completion. Referred to Christy Murray for help.

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- | | | | |
|-----------|---|---|---|
| 20 | Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public). (G20-21)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

Website acceptable

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- | | | | |
|-----------|---|---|---|
| 21 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (B6) | 1 | 1 |
|-----------|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Reports reviewed, no issues

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|-----------|--|---|---|
| 22 | Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? (G13) | 1 | 1 |
|-----------|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Operators participate in PPDC, recommend specific question on operator inspection form

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| 23 | Did the state participate in/respond to surveys or information requests from NAPS or PHMSA? (H4) | 1 | 1 |
|-----------|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

no issues

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|-----------|-------------------|-----------|-----------|
| 24 | General Comments: | Info Only | Info Only |
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Info Only = No Points

Evaluator Notes:

Total points scored for this section: 40
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 (B12-14, B16, B1h) 4 3

Yes = 4 No = 0 Needs Improvement = 1-3

- a. Procedures to notify an operator (company officer) when a noncompliance is identified Yes ☐ No ☐ Needs Improvement ☒
- b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Procedures do not state notifying company officer. Procedures need to be reviewed to make sure entire compliance loop is truly closed after response from operator. Further field verification may be needed. Recommended having specific staff assigned to make sure all issues are followed up.

- 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 (B11,B18,B19) 4 3

Yes = 4 No = 0 Needs Improvement = 1-3

- a. Were compliance actions sent to company officer or manager/board member if municipal/government system? Yes ☐ No ☐ Needs Improvement ☒

Evaluator Notes:

Compliance letters were not sent to company officers. Needs improvement. See previous question.

- 3** Did the state issue compliance actions for all probable violations discovered? (B15) 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Letters appear to have been sent when discovered of files viewed.

- 4** Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary. (B17, B20) 2 2

Yes = 2 No = 0

Evaluator Notes:

no issues

- 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) (B27) 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes

- 6** Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations? (new question) Info Only Info Only

Info Only = No Points

Evaluator Notes:

Possible case pending. Work in progress

- 7** General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

Total points scored for this section: 12
Total possible points for this section: 14

PART E - Incident Investigations

Points(MAX) Score

- | | | | |
|----------|---|--------------------------------------|--|
| 1 | 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 (A2,D1-3)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
| a. | Acknowledgement of MOU between NTSB and PHMSA (Appendix D) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Limited amount of operators in state. Operators contact assigned inspectors as directed. No issues.

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|----------|---|---|-----|
| 2 | 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 (D4)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|----------|---|---|-----|

Evaluator Notes:

Needs improvement. Specifically during review of incident 7-6-11, 135 Crawford St. Oxford - Consumer Energy. No on site inspection was made but no follow up information received to determine closure or any necessity to make a site visit.

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|----------|--|---------------------------|---|
| 3 | Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? (D5)
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 0 |
| a. | Observations and document review | Yes <input type="radio"/> | No <input checked="" type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Contributing Factors | Yes <input type="radio"/> | No <input checked="" type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Recommendations to prevent recurrences when appropriate | Yes <input type="radio"/> | No <input checked="" type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Case #141014, 2/15/11, 2430 S. Beatrice in Detroit MichCon. Leaking gas main and gas migration due to possible frost heave. No report or follow-up. Not acceptable.,

Case #178014, 10/17/11. Grant Rapids, Kent county. Accidental introduction of air/gas into system causing outage. Est loss \$665807. No report no followup. Not acceptable.

Time should be spent following up, writing report and using either federal checklist or something else that is appropriate to make sure loop is closed.

- | | | | |
|----------|--|---|---|
| 4 | Did the state initiate compliance action for violations found during any incident/accident investigation? (D6)
Yes = 1 No = 0 | 1 | 0 |
|----------|--|---|---|

Evaluator Notes:

Zero points due to incomplete incident investigations so it would be unknown if they needed to initiate compliance actions or not.

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|----------|--|---|---|
| 5 | Did the state assist region office by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 (D7)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

no issues

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|----------|--|---|---|
| 6 | Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPSR Region meetings, state seminars, etc) (G15) | 1 | 1 |
|----------|--|---|---|

Yes = 1 No = 0

Evaluator Notes:

Sharing at NAPSIR meetings, no issues

7 General Comments:

Info Only = No Points

Evaluator Notes:

Info OnlyInfo Only

Total points scored for this section: 4.5
Total possible points for this section: 9



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 (E1)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

no issues

- | | | | |
|---|--|---|---|
| 2 | Did the state inspector check to assure the pipeline operator is following its written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system? (E2)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

no issues, but recommend question specificity on future operator checklists

- | | | | |
|---|---|---|---|
| 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.) (E3)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

very active in Michigan Damage Prevention council in coordination with all operators. No issues

- | | | | |
|---|--|---|---|
| 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) (E4,G5)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

While locates per 1000 not specifically analyzed, they do analyze annual report information for leak trends and satisfy the intent of this question. Leaks per 1000 locates will be reported by all operators in future.

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

Evaluator Notes:

no issues - damage prevention legislation being proposed this session

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:
TransCanada Pipeline (Great Lakes Transmission)

Name of State Inspector(s) Observed:
Mark Nida

Location of Inspection:
Michigan - Upper Peninsula

Date of Inspection:
July 31-August 2, 2012

Name of PHMSA Representative:
Rex Evans

Evaluator Notes:

- 2 Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (F2) 1 1
Yes = 1 No = 0

Evaluator Notes:

Operators representatives were on hand

- 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) (F3) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

This was interstate agent inspection, IA forms were used

- 4 Did the inspector thoroughly document results of the inspection? (F4) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

No issues

- 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.) (F5) 1 1
Yes = 1 No = 0

Evaluator Notes:

No issues

- 6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) (F7) 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:

In office review of records were done along with field verifications at various points along system

- 7 Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) (F8) 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

No issues

-
- | | | | |
|----------|--|---|---|
| 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) (F9)
Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

No issues - items were discussed on a daily basis. Entire inspection was not complete until day after I left.

-
- | | | | |
|----------|---|---|---|
| 9 | During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable) (F10)
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

No issues - probably violations including line marker issue were documented

-
- | | | | |
|-----------|--|-----------|-----------|
| 10 | General Comments: What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 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 checked="" type="checkbox"/> |
| e. | Change in Class Location | <input type="checkbox"/> |
| f. | Casings | <input type="checkbox"/> |
| g. | Cathodic Protection | <input checked="" 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 checked="" type="checkbox"/> |
| m. | Line Markers | <input checked="" type="checkbox"/> |
| n. | Liaison with Public Officials | <input type="checkbox"/> |
| o. | Leak Surveys | <input checked="" 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 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:

Thorough inspection was conducted of operator for line from Manistique, MI west to Wisconsin border towns. Field inspection was conducted at separate time from office.

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)? (C1)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:
no issues

- | | | | |
|----------|--|---|---|
| 2 | Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? (C2)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:
no issues

- | | | | |
|----------|---|---|---|
| 3 | Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? (C3)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:
no issues, in communication with Central Region. see final comments

- | | | | |
|----------|--|---|---|
| 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.) (C4)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:
no issues

- | | | | |
|----------|--|---|---|
| 5 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (C5)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:
no issues

- | | | | |
|----------|---|---|---|
| 6 | Did the state give written notice to PHMSA within 60 days of all probable violations found? (C6)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:
no issues

- | | | | |
|----------|--|---|---|
| 7 | Did the state initially submit documentation to support compliance action by PHMSA on probable violations? (C7)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:
no issues

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

Evaluator Notes:
Per Hans Shieh in central region, recommend that they need to look at procedures that were not reviewed during the last team O&M and that they need to include a list of field locations they visited during the inspection in with their reports. This is a CR requirement. MI completing inspection plan with very good cooperation with Central Region and overall satisfactory performance.

Total points scored for this section: 7

Total possible points for this section: 7



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

- | | | | |
|----------|--|---|----|
| 1 | Did the state use the current federal inspection form(s)? (B21)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

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|----------|--|---|----|
| 2 | Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan? (B22)
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.) (B23)
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? (B24)
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? (B25)
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? (B26)
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