



1200 New Jersey Avenue SE
Washington DC 20590

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

PIPELINE SAFETY

2017 Gas Pipeline Safety Program

60105 - Certification Submission,
Base Grant Application

for

NORTH DAKOTA PUBLIC SERVICE COMMISSION

Please follow the directions listed below:

1. Review the entire document for completeness.
2. Review and have an authorized signatory sign the following pages:
 1. Intentions page, Page 2
 2. For 60105 applications, Certification page, Page 4
 3. For 60106 applications, Agreement page, Page 5
3. Fasten all pages with a paper or binder clip - no staples please as this package will be scanned upon it's arrival at PHMSA.
4. Mail the entire package to the following:

**ATTN: GWENDOLYN M. HILL
U.S. Department of Transportation
Pipeline & Hazardous Materials Safety Administration
Pipeline Safety, PHP-50
1200 New Jersey Avenue, SE Second Floor E22-321
Washington, D.C. 20590**

Submission Information

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1 **GS-16-634** Filed: 9/13/2016 Pages: 15
**2017 Federal - State gas pipeline safety grant
application**

Public Service Commission



Pipeline and Hazardous Materials Safety Administration
1200 New Jersey Avenue, SE
Washington DC 20590



DEPARTMENT OF TRANSPORTATION

APPLICATION

2017 GRANT PROGRAM IN SUPPORT OF GAS PIPELINE SAFETY

The NORTH DAKOTA PUBLIC SERVICE COMMISSION hereby applies to the Department of Transportation for Federal funds appropriated for the support of Pipeline Safety Programs established under 49 U.S.C. Section 60101 et seq. The actual amount of Federal reimbursement depends upon the availability of appropriated funds and state program performance. The total program funding for the State Program Gas and Hazardous Liquid Base Grants is subject to availability of funds and the enactment of an appropriations bill, and will be distributed according to PHMSA's State Base Grant Allocation formula and policies.

The State Agency:

Intends to submit an annual certification for calendar year 2017 to the Secretary of Transportation under 49 U.S.C. Section 60105.

The state agency plans to carry out the Pipeline Safety Program, during calendar year 2017, as described in Attachment 1, "Description of State Pipeline Safety Program". To accomplish the program, the state agency proposes to expend funds, if applicable, as set forth in Attachment 2, "Pipeline Safety Program Estimated Budget". The state authority claims jurisdictional status on operators within the state outlined in Attachment 3.

Patrick Jahn

Signature

DIRECTOR, COMPLIANCE & COMPETITIVE MARKETS

Title

September 13, 2016

Date



Pipeline and Hazardous Materials Safety Administration
1200 New Jersey Avenue, SE
Washington DC 20590

GAS PIPELINE SAFETY PROGRAM

CERTIFICATION FOR CALENDAR YEAR 2017

This certificate (including attachments) is submitted by the NORTH DAKOTA PUBLIC SERVICE COMMISSION (the state agency) to the secretary of Transportation (the Secretary) under Section 60105 of Title 49, United States Code.)

Pursuant to Section 60105(a) of this Title, the state agency hereby certifies to the Secretary that:

1. Under the Constitution and laws of North Dakota it has regulatory jurisdiction over the safety standards and practices of all intrastate pipeline transportation within North Dakota, as outlined on Attachment 3.
2. It has adopted, as of the date of this certification, each federal safety standard established under this Title that is applicable to the intrastate pipeline transportation under its jurisdiction as set forth in paragraph 1, or, with respect to each such federal safety standard established within 120 days before the date of the certification, is taking steps pursuant to state law to adopt such standard. (The adoption by a state agency of a safety standard that is additional to or more stringent than the applicable federal standard is compatible with the federal standards [see Section 60102(a)(1) of this Title] does not prohibit that state agency from certifying to the actions described in this paragraph.)
3. It is enforcing each adopted standard through ways that include inspections conducted by State employees meeting the qualifications the Secretary prescribes under section 60107(d)(1)(C) of this title.
4. It is encouraging and promoting the establishment of a program designed to prevent damage by demolition, excavation, tunneling, or construction activity to the pipeline facilities to which the certification applies that subjects persons who violate the applicable requirements of that program to civil penalties and other enforcement actions that are substantially the same as are provided under this chapter, and addresses the elements in section 60134(b);
5. It has authority to require each person who engages in the transportation of or who owns or operates pipeline facilities subject to its jurisdiction as set forth in paragraph 1, to establish and maintain records, to make reports, and to provide information, and that this authority is substantially the same as the authority provided under Section 60117 of this Title.
6. It has authority to require each person who engages in the transportation of or who owns or operates intrastate pipeline transportation facilities, subject to its jurisdiction as set forth in paragraph 1, to file with it for approval a plan for inspection and maintenance substantially as described under Section 60108(a) and (b) of this Title.
7. The laws of North Dakota provide for the enforcement of the safety standards referred to in paragraph 2 by injunctive relief and civil penalties substantially the same as those provided under Sections 60120 and 60122(a)(1) and (b)-(f) of this Title.
8. NORTH DAKOTA PUBLIC SERVICE COMMISSION will submit an annual progress report as provided under 60105 (c) (1).

The state agency furthermore agrees to cooperate fully in a system of federal monitoring of the state program to assure the program is being carried out in compliance with this certification. The terms intrastate pipeline transportation, pipeline facilities, transportation of , and state, are used in certification as defined in this Title. This certification is subject to termination by the Secretary in accordance with Section 60105(f) of this Title, on reasonable notice and after opportunity for hearing, may reject the certification or take such other action as deemed appropriate to achieve adequate enforcement including assertion of federal jurisdiction.

In witness whereof, the hand and seal of the NORTH DAKOTA PUBLIC SERVICE COMMISSION is hereby affixed on the date below.

NORTH DAKOTA PUBLIC SERVICE COMMISSION



Patrick John

Signature

DIRECTOR, COMPLIANCE & COMPETITIVE MARKETS

Title

September 13, 2016

Date

Description of State Pipeline Safety Program

Please provide a detailed description of the state's planned pipeline program for 2017

Please see uploaded document of 2017 Program Description in Step 9



Pipeline Safety Program Estimated Budget - Calendar Year 2017

DIRECT COSTS

Compensation for Personnel Services

Supervisory personnel	\$43,325.00
Supervisory fringe benefits.....	\$16,031.00
Inspection/Investigation personnel.....	\$142,346.00
Inspection/Investigation fringe benefits.....	\$52,669.00
Damage Prevention/Technical personnel.....	\$0.00
Damage Prevention/Technical fringe benefits.....	\$0.00
Administrative personnel.....	\$2,600.00
Administrative fringe benefits.....	\$1,170.00

Activities

Communication and Transportation Costs.....	\$0.00
Maintenance and repair costs.....	\$100.00
Memberships, Subscriptions and professional activity costs	\$1,000.00
*Professional Service Costs	\$0.00
Publication and printing costs	\$2,000.00
Rental costs of real property and equipment	\$1,380.00
Training and Education costs	\$0.00
Travel Costs	\$54,345.00

Materials and Equipment

Materials and Supplies including costs of computing devices.....	\$800.00
Equipment and other capital expenditures	\$0.00

Other(Specify):

INDIRECT COSTS

Indirect costs incurred by State Agency(i.e. Public Utilities Commission, Public Service Commission, State Corporation Commission).	\$81,544.00
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TOTAL ESTIMATED COSTS **\$399,310.00**

*Please see next page for details if applicable.

Budget Page Notes

Equipment cost > \$5000:

Equipment Cost: \$0.00

Equipment Itemized List:



Attachment 3

**STATE JURISDICTION AND AGENT STATUS OVER GAS FACILITIES AS
OF DECEMBER 31, 2015**

Operator Type	State Agency Jurisdiction/ Agent Status	
	No ¹	Yes
Distribution		
Private		X/60105
Municipal		X/60105
Master Meter	A	
LPG		X/60105
Other		X/60105
Transmission		
Intrastate		X/60105
Interstate	F	
LNG		
Interstate	F	
Intrastate	A	
Other		
Gathering Lines		X/60105
Offshore Facilities		X/60105

¹Codes: A - None in state and does not have jurisdiction;

B - State does not have jurisdictional authority (Provide current status or action being taken to obtain authority in notes section below)

F - No, State is currently not an interstate agent.

X/60105P = Yes, I have Section 60105 (Certification) over some of the operator type (meaning: I have 60105 authority over some, but not all of this operator type and do not have a 60106 agreement with PHMSA to inspect them). These operators are identified in the notes below.

X/IA - Yes I have Interstate Agent jurisdiction over this type of operator

Distribution "Other" - ie Co-ops, Public Utility Districts, etc.

States should explain any special circumstances

2017 Pipeline Safety Grant Application

North Dakota Program Description and Planned Activities

Under North Dakota Century Code Section 49-02-01.2, the North Dakota Public Service Commission (Commission) has authority to establish and enforce minimum safety standards for the design, construction, and operation of facilities used for intrastate distribution, transmission, and gathering of gas (<http://www.legis.nd.gov/cencode/t49c02.pdf>). With this authority, the Commission adopts rules under North Dakota Administrative Code Chapter 69-09-03 related specifically to gas pipeline safety including adoption by reference Part 190, Part 191, Part 192, and Part 199 of Title 49 of the Code of Federal Regulations (<http://www.legis.nd.gov/information/acdata/pdf/69-09-03.pdf>). The Commission, by means of a rulemaking, adopts all latest amendments to Part 190, Part 191, Part 192, and Part 199 of Title 49 as they become effective. The Commission is also the enforcement agency for North Dakota's One-Call Excavation Notice System under North Dakota Century Code Chapter 49-23 (<http://www.legis.nd.gov/cencode/t49c23.pdf>).

For 2017, the Commission will again partner with the US Department of Transportation, Pipeline and Hazardous Materials Administration (PHMSA) to assure safety in design, construction, inspection, testing, operation, and maintenance of intrastate gas pipeline facilities in North Dakota.

Program Description

In 2017, the North Dakota Public Service Commission's Gas Pipeline Safety staff is expected to conduct a minimum of 136 inspection days on the Intrastate Operators. There are fifteen intrastate operators, twenty inspection units. Unit types including four private distribution units, one municipal LPG unit, seven intrastate transmission units, and eight intrastate gathering units. In North Dakota there are 154,875 total services, 3590.6 total miles of distribution mains, 2491.7 total miles of distribution service lines, 287.37 total miles of transmission lines, 5.7 total miles of Type A gathering lines and 7.5 total miles of Type B gathering lines.

Inspections and Program Activity

The following briefly outlines the different types of gas pipeline safety inspections, how often they will be conducted, and on what type of operator:

Each jurisdictional gas system operator will receive a minimum of one records inspection per year.

Each gas distribution system operator will receive a minimum of one construction inspection per year. This will include one for each operator, and one for their contractors. Operators are asked to supply the Program Manager information that addresses any major construction projects for the upcoming calendar year prior to commencement of those projects

Each gas operator/inspection unit may receive one or more of the following inspections, as often as necessary: leak surveying, corrosion control, overpressure protection/MAOP, district regulator stations, master meter jurisdiction investigation, propane jurisdiction investigation, farm tap inspection, or meter set inspection. Necessity for any of these inspections may be determined from results or concerns found during records inspections of each operator.

Each jurisdictional gas operator (other than propane or master meter operators) will receive an inspection of its written Drug and Alcohol Use Prevention Plan at intervals not to exceed 5 years. A review of an operator's knowledge of its Plan will be done annually during the annual records inspection.

Each gas operator, after having received an inspection of its Operations and Maintenance (O&M) Plan, may then receive inspections in specific sections of its O&M Plan.

Emergency Response, Operator Qualification, Integrity Management, Public Awareness, and Damage Prevention plans will receive inspections at intervals not to exceed 5 years. Any significant changes made to those plans will be reviewed on an ongoing basis.

For CY 2017, the Program Manager plans to schedule and conduct Drug & Alcohol Program audits with operators which will enable the PSC Gas Safety program to assure these operators Drug & Alcohol programs are audited as required, at intervals not to exceed 5 years.

The Program Manager will be developing, a risk-based analysis and assessment of risks relevant to operators and their specific units, to determine inspection priorities.

Follow-up inspections may be conducted on all operator inspection units on a case by case basis, and as often as necessary to determine compliance.

The Program Manager will address any outstanding compliance actions that may be carried over from CY2016.

The Commission will make its inspector(s) available to OPS Central Region on a per project basis as requested by OPS for the purpose of conducting design, testing and construction inspection on any new interstate gas lines; or for other work on these systems.

Operator Training:

On-site operator training may be scheduled as requested by each individual operator, or as deemed necessary by the Program Manager.

A TQ/State operator training seminar for 2016 will be coordinated with the State of South Dakota in order to provide training to North Dakota operators.

Incident Investigation:

Incidents, as defined in 49 CFR Part 191.3, will be thoroughly investigated within the earliest possible response time, and investigation information will be shared with the PHMSA Central Region Office. In addition, Commission gas pipeline safety inspector(s) will be available to assist in incident investigations at the request of PHMSA/NTSB investigators not only on intrastate gas distribution, transmission, and gathering systems, but any other pipeline system jurisdictional to PHMSA.

Record Keeping:

The Program Manager will ensure the following computerized gas safety records are maintained:

a) Year-to-date reports of the gas safety program, which includes the operator name and address, type of inspection, date(s) of inspection, number of inspection units and person days spent conducting the

inspection, number and date of probable violations and proposed compliance orders issued, number and amount of civil penalties proposed, number of violations found by the Commission, number and amount of civil penalties assessed and collected by the Commission, date(s) civil penalties were issued and collected, date(s) of various orders issued in the case, any pertinent comments about the case, and the total number of Warning Letters issued.

b) A 10-year history by operator of gas safety violations found by the Commission for all jurisdictional natural gas system operators.

c) Template documents for the following:

- 1) Notice of probable violation and cover letter;
- 2) Warning letter; and
- 3) All types of inspection forms.

In addition to the above records, the Program Manager will ensure retention of "in" and "out" correspondence files, staff training files, budget files, purchase files, division safety inspection files, monthly time summary, mileage logs, and any other records deemed necessary by the Commission.

All record retentions will conform to NDCC 54-46-05.

Damage Prevention:

On August 12, 2009, the Commission began enforcement of the State's excavation damage laws codified under North Dakota Century Code chapter 49-23, One-Call Excavation Notice System. The Commission expects the Legislature will be considering changes to this law in the 2017 session.

- Under administrative rules, the Commission has the authority to receive written complaints from utility operators, excavators, and members of the public and authority to process those complaints, administer civil penalties; and keep records as required.
- North Dakota Century Code chapter 49-07 provides a civil penalty for a violation of North Dakota Century Code chapter 49-23, One-Call Excavation Notice System.
- A ND Damage Prevention Plan was developed and approved by the Commission to address the enforcement of the North Dakota Century Code chapter 49-23 One-Call Excavation Notice System, to address damage prevention requirements under 49 CFR Part 192 and under 49 CFR Part 198; to address the nine elements of the PIPES Act.
- The Commission will continue to liaison with the ND One-Call Board, as needed, to report the status of complaint cases before the Commission.

Staff:

North Dakota's Gas Pipeline Safety Program is organized under the Commission, and supervised by the Director of the Public Utility Division. For 2017, it is estimated that approximately 8 percent of the Director's time will be spent on the Program. The Program utilizes a Program Manager/Inspector who will devote approximately 40% of time as Program Manager, and 60% of time as an inspector. The

Program utilizes a second person as a full-time inspector. The Gas Pipeline Safety Program is currently fully staffed with no vacancies.

Inspector Training:

As of September 2016, the Program Manager/Inspector has completed all required TQ Gas Pipeline Safety training courses.

The Gas Safety Inspector hired in May of CY2015 has completed or will have completed the following training courses prior to CY2017:

1. PHMSA-PL1250 Safety Evaluation of Gas Pipeline Systems Course
2. PHMSA-PL1255 Gas Pressure Regulation and Overpressure Protection Course
3. PHMSA-PL1310 Plastic and Composite Materials course
4. PHMSA-PL3242 Welding and Welding Inspection of Pipeline Materials Course
5. PHMSA-PL3256 Failure Investigation Pipeline Failure Investigation Techniques Course
6. PHMSA-PL3257 General Pipeline Safety Awareness Course
7. PHMSA-PL3267 Fundamentals of Integrity Management Course
8. PHMSA-PL3293 Corrosion Control of Pipeline Systems Course
9. PHMSA-PL3306 External Corrosion Direct Assessment (ECDA) Field Course
10. PHMSA-PL3322 Evaluation of Operator Qualification (OQ) Programs Course
11. PHMSA-PL1245 Safety Evaluation of Distribution Integrity Management Programs (DIMP) Course (enrolled in class starting 10-12-16)

The Gas Safety Inspector is waitlisted for the following classes:

1. PHMSA-PL3292 Safety Evaluation of Inline Inspection (ILI)/Pigging Programs Course
2. PHMSA-PL3291 Fundamentals of (SCADA) System Technology and Operation Course
3. PHMSA-PL3355 Safety Evaluation of Control Room Management Programs
4. PHMSA-PL1297 Gas Integrity Management (IM) Protocol Course

The United States Department of Transportation (USDOT)

Standard Title VI/Non-Discrimination Assurances

DOT Order No. 1050.2A

The *North Dakota Public Service Commission* (herein referred to as the “Recipient”), **HEREBY AGREES THAT**, as a condition to receiving any Federal financial assistance from the U.S. Department of Transportation (DOT), through the *Pipeline and Hazardous Materials Safety Administration*, is subject to and will comply with the following:

Statutory/Regulatory Authorities

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 C.F.R. Part 21 (entitled *Non-discrimination In Federally-Assisted Programs Of The Department Of Transportation—Effectuation Of Title VI Of The Civil Rights Act Of 1964*);
- 28 C.F.R. section 50.3 (U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 *et seq.*).

The preceding statutory and regulatory cites hereinafter are referred to as the “Acts” and “Regulations,” respectively.

General Assurances

In accordance with the Acts, the Regulations, and other pertinent directives, circulars, policy, memoranda, and/or guidance, the Recipient hereby gives assurance that it will promptly take any measures necessary to ensure that:

“No person in the United States shall, on the grounds of race, color, national origin, gender, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity,” for which the Recipient receives Federal financial assistance from DOT, including the Pipeline and Hazardous Materials Safety Administration.

The Civil Rights Restoration Act of 1987 clarified the original intent of Congress, with respect to Title VI and other Non-discrimination requirements (The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973), by restoring the broad, institutional-wide scope and coverage of these non-discrimination statutes and requirements to include all programs and activities of the Recipient, so long as any portion of the program is Federally assisted.

Specific Assurances

More specifically, and without limiting the above General Assurance, the Recipient agrees with and gives the following Assurances with respect to its Federally assisted *PHMSA Pipeline Safety Base Grant*:

1. The Recipient agrees that each "activity," "facility," or "program," as defined in §§ 21.23 (b) and 21.23 (e) of 49 C.F.R. § 21 will be (with regard to an "activity") facilitated, or will be (with regard to a "facility") operated, or will be (with regard to a "program") conducted in compliance with all requirements imposed by, or pursuant to the Acts and the Regulations.
2. The Recipient will insert the following notification in all solicitations for bids, Requests For Proposals for work, or material subject to the Acts and the Regulations made in connection with the *PHMSA Pipeline Safety Base Grant* and, in adapted form, in all proposals for negotiated agreements regardless of funding source:

"The North Dakota Public Service Commission in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that with respect to any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."

3. The Recipient will insert the clauses of Appendix A and E of this Assurance in every contract or agreement subject to the Acts and the Regulations.
4. The Recipient will insert the clauses of Appendix B of this Assurance, as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a Recipient.
5. That where the Recipient receives Federal financial assistance to construct a facility, or part of a facility, the Assurance will extend to the entire facility and facilities operated in connection therewith.
6. That where the Recipient receives Federal financial assistance in the form, or for the acquisition of real property or an interest in real property, the Assurance will extend to rights to space on, over, or under such property.
7. That the Recipient will include the clauses set forth in Appendix C and Appendix D of this Assurance, as a covenant running with the land, in any future deeds, leases, licenses, permits, or similar instruments entered into by the Recipient with other parties:
 - a. for the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
 - b. for the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.

