



Caleb Simburger, Program Manager
ND Gas Pipeline Safety Program
600 East Boulevard, Department 408
Bismarck, ND 58505-0408

November 6, 2020

RE: Case Number: GS-20-412

Dear Mr. Simburger,

Northern States Power Company, a Minnesota company and wholly owned subsidiary of Xcel Energy Company (NSP) received a Notice of Probable Violation from the North Dakota Public Service Commission (NDPSC) on October 2, 2020, regarding the inspection that was conducted at 1309 11th St North in Fargo.

PROBABLE VIOLATION:

PIPELINE SAFETY REGULATION IN EFFECT AT TIME OF PROBABLE VIOLATION:

49 CFR Part 192.801 Scope.

- (a) This subpart prescribes the minimum requirements for operator qualification of individuals performing covered tasks on a pipeline facility.
- (b) For the purpose of this subpart, a covered task is an activity, identified by the operator, that:
 - (1) Is performed on a pipeline facility;
 - (2) Is an operations or maintenance task;
 - (3) Is performed as a requirement of this part; and
 - (4) Affects the operation or integrity of the pipeline.

49 CFR Part 192.805 Qualification Program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

- (a) Identify Covered tasks;
- (b) Ensure through evaluation that individuals performing covered tasks are qualified;
- (c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified;

...

- (h) After December 16, 2004, provide training, as appropriate to ensure that individuals performing covered tasks have the necessary knowledge and skills to perform the tasks in a manner that ensures the safe operation of pipeline facilities.

49 CFR Part 192.13 What general requirements apply to pipelines regulated under this part?

...

- (c) Each operator [a person who engages in the transportation of gas] shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.

49 CFR Part 192.605 Procedural manual for operations, maintenance, and emergencies.

- (a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.

INSPECTION FINDINGS:

An Operator Qualification Field Inspection was conducted on August 31, 2020 at 1309 11th St N Fargo, ND. The covered task “CT-640 – Installation of Customer Meters and Regulators” was performed by Northern States Power Co of Minnesota/Xcel Energy’s (Operator) qualified service personnel/field technicians (Technician(s)), who performed a gas meter changeout. The individuals performing the covered task were qualified to perform the covered task being observed. The following procedure(s) were provided for the observation of the covered task(s) listed above (all procedures are from Xcel Energy’s Pipeline Compliance & Standards Manual – V. 2020-1 Issued January 1, 2020):

- 1.14 Operator Qualification Program
- 8.10 Meter Sets
- 8.12 Changing Gas Meters
- 14.6 House Heating Turn On Guidelines
- 14.8 Red Hazard Tag Procedure

The Technician completed the installation of the gas meter and returned service to the meter and customer piping via the gas meter service/supply valve (Service Terminal Valve). The Technician conducted a leak detection test and identified two leaks on the customer’s piping and subsequently removed service by placing the Service Terminal Valve in the closed position. The technician then completed the Operator’s Red Hazard Tag Procedure identifying and documenting the leaks on the customer piping.

The Commission’s Gas Safety Inspector (Inspector) noted that the Technician did not lock out the Service Terminal Valve after identifying two Red Tagged leaks on the customer’s piping. When

the Inspector challenged the Technician on their decision to not lock out the Service Terminal Valve, the Technician responded by explaining the following process.

After the necessary repairs are completed on the customer's piping by the customer's repair personnel (such as a plumber), the customer's repair service personnel will be the individual(s) who will operate/open the Operator's Service Terminal Valve and restore gas service to the customer piping, as well as complete the Red Tag procedure by mailing the Red Tag(s) back to the Operator.

The Inspector informed the Technician that the Service Terminal Valve is part of the regulated piping system, and that it is a violation of federal law to allow non-operator qualified (non-OQ) personnel to operate this valve. The Inspector then directed the Technician to place an Operator's lock on the Service Terminal Valve, and informed the Operator that the customer's repair service personnel would need to contact the Operator to have the lock removed and the gas service restored to the residence by a qualified individual. The Technician then placed a lock on the Service Terminal Valve.

The Inspector asked the Operator's Gas Pipeline Compliance Consultant (Compliance Consultant), who was also onsite, if allowing non-OQ personnel to operate regulated utility services was a common practice, the Compliance Consultant stated that the procedure(s) are in the process of being updated. Currently their procedures (sections 8.1, 14.6, and 14.8) address how the Operator ensures that only qualified individuals are authorized to operate Service Terminal Valves after a leak or unsafe condition is identified downstream of the Service Terminal Valve, but only in specific scenarios. Other scenarios where a leak or unsafe condition is identified downstream of the Service Terminal Valve are also described but it is unclear how the Operator ensures that only qualified individuals are authorized to operate the Service Terminal Valve in those scenarios.

When pressed, the Compliance Consultant admitted that it was the company's practice to allow customer's repair service personnel (such as a plumber), to perform operation and maintenance tasks, such as operating Service Terminal Valves. When asked to acknowledge that this did not satisfy the requirements set forth in 192.801, they stated that they were not prepared to answer at this time.

VIOLATIONS:

As operator of the system, Northern States Power Co. of Minnesota/Xcel Energy is responsible for complying with gas pipeline safety regulations, including ensuring that all individuals performing covered tasks are fully qualified. The gas pipeline safety regulations 49 CFR section 192.801(b) defines a covered task for the purposes of an operator as one that:

- (1) is performed on a pipeline facility,
- (2) is an operations or maintenance task,
- (3) is performed as a requirement of this part, and
- (4) affects the operation or integrity of the pipeline.

When a customer's repair service personnel (such as a plumber), is authorized to operate a Service Terminal Valve and place a service line back into operation, this is an operation and maintenance activity that meets the four-part test in § 192.801(b). As a result, Northern States Power Co of Minnesota/Xcel Energy, as the operator of the service line, is responsible for ensuring that the individuals performing these tasks are qualified in accordance with the operator qualification program required by § 192.805.

Xcel Energy's Pipeline Compliance and Standards Manual (Version 2020-1 Issued January 1, 2020, Section 1.14 Operator Qualification Program) states "Xcel Energy requires that covered tasks be performed by qualified personnel. . ."

The Operator's representatives admitted that customer's repair service personnel (such as a plumber) were performing covered task without qualification or direct supervision in violation of 49 CFR Part 192 Subpart N.

The Operator's representatives admitted as a practice that the company fails to ensure through evaluation that individuals performing covered tasks are qualified and is therefore, in violation of 49 CFR 192.805.

The Operator failed to follow Xcel Energy Pipeline Compliance & Standards Manual Section 1.14 Operator Qualification Program (Version 2020-1 Issued January 1, 2020) and is therefore, in violation of 49 CFR 192.605(a).

The Operator's procedures are insufficient to ensure safe operation of the pipeline system. Their procedures need to ensure that covered tasks are only performed by qualified personnel in accordance with 49 CFR Part 192 Subpart N – Qualification of Pipeline Personnel, specifically the operation of the Service Terminal Valve after safety concerns have been identified.

EXHIBITS:

- Exhibit #1 – Xcel Energy Pipeline Compliance & Standards Manual (Version 2020-1 Issued January 1, 2020)
- Exhibit #2 – NDPSC's OQ Field Inspection Report from August 31, 2020 at 1309 11th St. North, Fargo, ND

PROPOSED CIVIL PENALTY

Any person who violates a rule or order of the commission pursuant to section 49-02-01.2 and N.D. Admin. Code ch. 69-09-03, the company is subject to a civil penalty not to exceed two hundred thousand dollars for each violation for each day that the violation continues, except that the maximum penalty may not exceed two million dollars for any related series of violations. The Proposed Civil Penalty is \$30,000.00.

PROPOSED COMPLIANCE ORDER

October 2, 2020

Pursuant to North Dakota Century Code 49-02-01.2. Staff proposes to issue to Northern States Power Company (Xcel) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Xcel with the pipeline safety regulations:

1. With regard to the Probable Violation(s) specified in the Notice, pertaining to evaluation of individuals performing covered tasks, review all procedures as they relate to covered tasks and qualified individuals (§ 192.801 & 192.805) within Xcel's procedures.
2. By November 6, 2020, provide to the Commission documentation showing satisfactory correction of the deficiency provided in the Notice, including, at a minimum, the following:
 - a. Procedures providing that the operation of Service Terminal Valves is a covered task that will only be performed by qualified personnel as permitted in 49 CFR Part 192 Subpart N – Qualification of Pipeline Personnel.
 - b. Procedures providing that Service Terminal Valves closed by the Respondent as part of a Red Hazard Tag Procedure or due to a safety concern are locked in the closed position to secure them from operation by non-qualified individuals.
 - c. Documentation showing that all Service Terminal Valves that are currently closed as part of a Red Hazard Tag Procedure or due to a safety concern are locked by the Respondent in the closed position to secure them from operation by non-qualified individuals.
 - d. A Safety Training Bulletin addressing the Respondent's revised procedures regarding who is permitted to operate a Service Terminal Valve was created and reviewed by individuals who are qualified to operate a Service Terminal Valve.

Response:

NSP chooses Response Option (b)(1) for the Proposed Civil Penalty and for Compliance Order 2. For Compliance Order 1, NSP chooses Response Option (b)(3).

1. NSP believes this issue does not warrant a review of all procedures as they relate to covered tasks and qualified individuals. The review process for the PC&S Manual is robust and already involves constant review and revision of procedures by a large Subject Matter Expert Committee, including representatives from Compliance, Technical Training, OQ and QA/QC. Additionally, the procedures are evaluated based on internal audits, 3rd party inspectors and compliance investigations. The procedures related to qualified individuals operating a jurisdictional valve were already under review prior to August 31, 2020. This was discussed on site during the inspection. The Xcel Energy Pipeline Compliance and Standards Manual (PC&S Manual) Section 8.10.1 Meter Sets General has been revised as

shown below. This revision will be published in the upcoming PC&S Manual on December 31, 2020.

“Only Xcel Energy has the authority to unlock the inlet meter valve. Xcel Energy does not authorize representatives of the customer, builder, or local building authority to unlock or manipulate the inlet meter valve.

In the event of an emergency, the inlet valve may be closed by emergency services (i.e. fire or police department).”

To ensure compliance in the interim, operations have been advised via the attached bulletin to immediately comply with PC&S Section 8.10.1 Meter Sets General and Section 14.8 Red Hazard Tag Procedure.

- 2.a. Both PC&S Manual Section 8.10.1 Meter Sets General and Section 14.8 Red Hazard Tag Procedure have been reviewed. Based on the revision to the PC&S Manual Section 8.10.1 Meter Sets General (above), Xcel Energy is developing a communication that will be sent to the builder’s associations, and local building officials who oversee customer gas piping inspections. The communication will explain the riser valve must be closed, locked and only unlocked by an Xcel Energy qualified individual.

For new construction, PC&S Manual Section 8.10.2 New Construction: Gas Meter Installation Xcel Energy will be integrating a new meter bar that includes a customer owned outlet valve. At locations with the new meter bar, the riser valve will remain open and the outlet valve will be wire-locked with an orange tag installed. At locations without the new meter bar, the riser valve will be locked and unlocked by an Xcel Energy qualified individual.

A draft version of the Orange Tag procedure is shown below. The revisions are under final review and will be effective January 1, 2021. The new version of the PC&S Manual will be emailed to Pipeline Safety staff the week of January 4, 2021.

“For all new residential gas meter installations, an outlet meter valve shall be installed, preferably by utilizing a meter bar assembly. If gas is going to be turned on by a customer representative (i.e. a qualified plumber or inspector), the meter shall be installed with the outlet meter valve in the closed position and an Orange Tag affixed with a wire lock or equivalent locking device to lock the outlet meter valve. The Orange Tag is a notice to inform the customer of their responsibility to install the appropriate fuel line protections for the delivery pressure. This includes, but is not limited to, proper sizing of the fuel line with sealed ends, secondary regulators, and appropriately rated appliances. These protections must be installed prior to opening the valve and introducing gas to the customer’s piping. By cutting the Orange Tag and unlocking the outlet meter valve (including requesting Xcel Energy to cut the tag and perform the meter turn on), the customer accepts responsibility for confirming their fuel line and appliances are fit for the requested delivery pressure and assume liability for failing to comply with this requirement.”

- 2.b. Xcel Energy has reviewed PC&S Section 14.8.5 Red Hazard Tag Procedure and determined that the existing procedures are adequate from the standpoint of requiring the riser valve to be closed and locked in certain situations. During the inspection, the procedure was not followed.
- 2.c. As of November 5, North Dakota operations has verified that any red tag installed on customer piping since October 1, 2020, that required the riser valve to be closed, has been locked. Please see attached "Reg Tag Lock Status.dpf" for evidence that North Dakota Operations is following PC&S Manual Section 14.8.5 Red Hazard Tag Procedure.
- 2.d. Please see attached "2020-21 Meter Sets & Red Hazard Tag Procedure.pdf" bulletin explaining the requirements to follow PC&S Manual Section 8.10.2 New Construction: Gas Meter Installation and Section 14.8 Red Hazard Tag Procedure. The revisions to the PC&S Manual are under final review and will be effective January 1, 2021. The new version of the PC&S Manual will be emailed to Pipeline Safety staff the week of January 4, 2021.

PROPOSED CIVIL PENALTY: \$30,000

Response: A check has been requested for \$30,000 and will be sent directly to the attention of Caleb Simburger.

If you have any questions or concerns, please contact Lisa Kallberg at 651-788-0648.

Sincerely,



Luke Litteken

Sr Vice President, Gas

cc:

Christopher Akins, Manager Pipeline Compliance and Standards

Lauren Gilliland, Director Gas Governance

Lisa Kallberg, Principal Gas Standards Consultant

TO: Gas Employees and Contractors
FROM: Pipeline Compliance & Standards (PC&S)
TOPIC: 2020-21: Meter Sets & Red Hazard Tag Procedure
DATE: November 5, 2020

BACKGROUND (REASON FOR CHANGE)

On August 31, 2020, Operations was asked to perform a random meter change as part of a regulatory field inspection. During the process, two leaks were discovered on customer piping and both appliances were issued a Red Hazard Tag. Due to the configuration of the customer piping, the riser inlet valve was closed, but not locked as required by PC&S Section 14.8.5 - Red Hazard Tag Procedure. After discussions with PC&S and Gas Operations, it was decided to lock the riser valve. The operation of the riser valve is considered a covered task and is only to be performed by a qualified individual (i.e. covered task 130 – “Operate, Inspect, and Maintain Valves”) under Xcel Energy or an approved contractors’ Operator Qualification Plan.

APPLICABLE STANDARDS

14.8 – Red Hazard Tag Procedure

14.8.5 - Procedure

Should the customer or occupant not allow the disconnection or shutting off of the appliance, piping or other equipment, and the hazard cannot be eliminated in any other way, the employee must place a Red Hazard Tag on the appliance, piping or other equipment and the gas meter supplying the appliance, piping or other equipment shall be shut off and locked, or if necessary, removed. If the customer or occupant will not allow access to the gas meter supplying the appliance, piping or other equipment, the employee must notify management. Company management and the local authority shall then resolve the issue to ensure the safety of the building occupants.

AFFECTED PARTIES

Distribution Operations, Gas Emergency Response, Distribution Contractors, and Technical Training.

CORRECTIVE ACTIONS

1. Effective immediately, all individuals shall review and comply with PC&S Manual Section 14.8 Red Hazard Tag Procedure.
2. PC&S Section 8.10 Meter Sets is being revised to allow for the use of an outlet valve. Operations may begin installing an outlet valve on the meter bar and lock the valve as an alternative as inventory becomes available. The inlet riser valve can then be left open. If the meter bar has an outlet valve, the valve can be closed instead of the riser valve. The following Cat Id’s are available for use:

Author	Lisa Kallberg , Gas Standards Consultant, elisabeth.m.kallberg@xcelenergy.com , 651-788-0648
Approver	Christopher Akins , Manager, Christopher.A.Akins@xcelenergy.com , 303-571-3298

<u>Cat ID</u>	<u>Description</u>
111957	VALVE,PLUG,1/2IN,175PSI,NPT,BRASS MOUNTED IRONLUBRICATED,BRASS SEAT
60482	NIPPLE,PIPE,1/2IN,SCH 40/STDBLACK STEEL ASTM A53 GR F,NPT,CLOSE,FURNACE WELDED
60483	NIPPLE,PIPE,1/2IN,1.5IN,SCH 40CARBON STEEL GR B,FURNACE WELDED X NPT,ASTM A53
60484	NIPPLE,PIPE,1/2IN,2IN,SCH 40BLACK STEEL ASTM A53 GR F,NPT,SEAMLESS
60502	NIPPLE,PIPE,1/2IN,SCH 80 XH BLK CS ASTMA733/SA106 GR B,NPT,CLOSE,SEAMLESS,0.147IN,0.84IN OD
111393	NIPPLE,PIPE,1/2IN,1.5IN,SCH 80 CARBON STEEL GRB,NPT,SEAMLESS,0.147IN,ASTM A106
111394	NIPPLE,PIPE,1/2IN,2IN,SCH 80,CARBON STEEL GR BNPT,SEAMLESS,0.147IN,ASTM A106
57732	PLUG,PIPE,1/2IN,NPT,SOLID/COREDBLACK MALLEABLE IRON/STEEL,ANSI CLASS 150,ANSI B16.14

<u>Cat ID</u>	<u>Description</u>
111958	VALVE,PLUG,1IN,175PSI,NPT,BRASS MOUNTED IRONLUBRICATED,BRASS SEAT.
60554	NIPPLE,PIPE,1IN,SCH 40/STDBLACK STEEL ASTM A53 GR F,NPT,CLOSE,FURNACE WELDED
60555	NIPPLE,PIPE,1IN,2IN,SCH 40/STDBLACK STEEL ASTM A53 GR F,NPT,FURNACE WELDED
60556	NIPPLE,PIPE,1IN,2.5IN,SCH 40,CARBON STEEL GR BNPT,WELDED,ASTM A120
111417	NIPPLE,PIPE,1IN,SCH 80,BLACK MALLEABLE IRON,NPTSEAMLESS,0.179IN,ASTM A53 / ASTM 733
111418	NIPPLE,PIPE,1IN,2IN,SCH 80,BLACK MALLEABLE IRONNPT,SEAMLESS,LONG,0.179IN,ASTM A53 / ASTM 733
111419	NIPPLE,PIPE,1IN,2.5IN,SCH 80BLACK MALLEABLE IRON,NPT,SEAMLESS,LONG,0.179IN,ASTM A53 / ASTM 733
57773	PLUG,PIPE,1IN,NPT,SOLID/COREDBLACK MALLEABLE IRON/STEEL,ANSI CLASS 150,ANSI B16.14

PICTURES



This Bulletin can be found on the [Pipeline Compliance & Standards Website](#)

Author	Lisa Kallberg , Gas Standards Consultant, elisabeth.m.kallberg@xcelenergy.com , 651-788-0648
Approver	Christopher Akins , Manager, Christopher.A.Akins@xcelenergy.com , 303-571-3298

<u>Address</u>	<u>City</u>	<u>red tag still in place (y or n)</u>	<u>red tag required riser valve to be closed (y or n)</u>	<u>lock installed (y or n)</u>
7218 20th St S	Fargo	N	Y	Y
4814 Bakers Ln	Riles Acres	N	N	N
2424 13TH Ave S	Fargo	N	N	N
2702 8th St N	Fargo	N	N	N
1546 17th St S	Fargo	N	N	N
725 8th St N	Fargo	N	N	N
2225 13th Ave S	Fargo	N	Y	Y
2810 25th Ave S	Fargo	N	N	N
1314 17th St S	Fargo	N	N	N
4736 43rd St S	Fargo	N	N	N
2218 6th Ave S	Fargo	N	N	N
1501 42nd St SW	Fargo	N	N	N
2601 Atlantic Dr S	Fargo	N	Y	Y
2115 15th St S	Fargo	N	N	N
6825 23rd St S	Fargo	N	N	N
746 Front St	Casselton	Y	Y	Y
4101 32nd St N	Fargo	N	N	N
3328 39th Ave S	Fargo	N	N	N
411 40th St SW	Fargo	Y	Y	Y