



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

1200 New Jersey Avenue SE  
Washington DC 20590

## 2019 Gas State Program Evaluation

for

NEBRASKA PIPELINE SAFETY DIVISION

### Document Legend

#### PART:

- O -- Representative, Dates and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- State Qualifications
- D -- Program Performance
- E -- Field Inspections
- F -- Damage prevention and Annual report analysis
- G -- Interstate Agent/Agreement States



# 2019 Gas State Program Evaluation -- CY 2019

Gas

**State Agency:** Nebraska

**Agency Status:**

**Date of Visit:** 08/31/2020 - 09/04/2020

**Agency Representative:** David Levering, Chief Deputy State Fire Marshal  
Arnie Bates, Deputy State Fire Marshal  
Doug Donnelson, Deputy State Fire Marshal

**PHMSA Representative:** Glynn Blanton, US DOT/PHMSA State Programs

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

**Name/Title:** Christopher Cantrell, Nebraska State Fire Marshal

**Agency:** Nebraska State Fire Marshal Office

**Address:** 246 South 14th Street

**City/State/Zip:** Lincoln, NE 68508

**Rating:**

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

## INSTRUCTIONS:

Complete this evaluation in accordance with the Evaluator Guidance for conducting state pipeline safety program evaluations. The evaluation should generally reflect state program performance during CY 2019 (not the status of performance at the time of the evaluation). 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 appropriate notes/comments section. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and they OBJECTIVELY reflect the state's program performance for the question being evaluated. Increasing emphasis is being placed on how the state pipeline safety programs conduct and execute their pipeline safety responsibilities (their 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 State Qualifications
- D Program Performance
- E Field Inspections
- F Damage prevention and Annual report analysis
- G Interstate Agent/Agreement States

0  
15  
10  
50  
15  
4  
0

0  
15  
10  
44  
15  
4  
0

### TOTALS

**94** **88**

**State Rating** .....

**93.6**

## PART A - Progress Report and Program Documentation Review

Points(MAX) Score

**1** Were the following Progress Report Items accurate?

Info Only Info Only

Info Only = No Points

- a. Stats On Operators Data - Progress Report Attachment 1
- b. State Inspection Activity Data - Progress Report Attachment 2
- c. List of Operators Data - Progress Report Attachment 3\*
- d. Incidents/Accidents Data - Progress Report Attachment 4\*
- e. Stats of Compliance Actions Data - Progress Report Attachment 5\*
- f. List of Records Kept Data - Progress Report Attachment 6 \*
- g. Staff and TQ Training Data - Progress Report Attachment 7
- h. Compliance with Federal Regulations Data - Progress Report Attachment 8
- i. Performance and Damage Prevention Question Data - Progress Report Attachment 10\*

**Evaluator Notes:**

- a. Reviewed progress report and Data Mart. NE SFM is a 60105 certificated state and has jurisdictional authority on all natural gas, propane, LNG and gathering systems. They have 39 operators and 73 inspection units. Inspection units inspected in CY2019 was 57.5%.
- b. A review of NE SFM Inspection spreadsheet confirm the number of inspection days for each type of inspection matched attachment 2.
- c. Compared operators listed in Attachment 3 to inspection spreadsheet provided by program manager. No issues.
- d. No incidents occurred in CY2019. A review of PDM confirm this information.
- e. Number of carried over violations from previous year does not match current year filing. CY2018 Progress report showed 25 carried over violations and current year is 22. A review of files found number of compliance actions reported on Progress report is incorrect. The number is 7 not 11. These items will need to be corrected on the Progress Report by having the Program Manager contacting Carrie Winslow.
- f. Based on last year's review of inspection files and discussion with program manager confirm information listed in attachment 6 is correct.
- g. An analysis of TQ Blackboard records found four inspectors have completed all mandatory training for a Gas Standard Inspector. A review of each inspector's training and experience validated the category listed for each is correct. No issues.
- h. Found errors on "adoption status" pertaining to the effective date of amendment 24 & 25. Need to remove "Taking Steps to Adopted" and insert "Adopted". Program Manager will need to contact Carrie Winslow to have these two errors corrected. NE SFM does not have automatic adoption and civil penalty is below federal required amounts. Efforts continue to be made by NE SFM to change the civil penalty amounts but will no success.
- i. Attachment 10 was reviewed and not a copy paste from previous year. No issues with information.

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

## PART B - Program Inspection Procedures

Points(MAX) Score

- |   |   |   |   |
|---|---|---|---|
| 1 | Do written procedures address pre-inspection, inspection and post inspection activities for each of the following inspection types: Chapter 5.1<br>Yes = 5 No = 0 Needs Improvement = 1-4   | 5 | 5 |
|   | <ul style="list-style-type: none"><li>a. Standard Inspections, which include Drug/Alcohol, CRM and Public Awareness Effectiveness Inspections</li><li>b. TIMP and DIMP Inspections (reviewing largest operator(s) plans annually)</li><li>c. OQ Inspections</li><li>d. Damage Prevention Inspections</li><li>e. On-Site Operator Training</li><li>f. Construction Inspections (annual efforts)</li><li>g. LNG Inspections</li></ul> |   |   |

### Evaluator Notes:

- a. Yes, a review of Nebraska State Fire Marshal Inspection & Compliance Plan (NE SFM ICP) dated July 1, 2020, found this type of inspection is listed in Section F.5-1 ? Standard Field Inspection page 29.
- b. Yes, Distribution Integrity Management Program (DIMP) located on page 40, Gas Transmission Integrity Management Program (TIMP) page 44
- c. Yes, Operator Qualification (OQ) Program page 49
- d. Yes, Damage Prevention Plan page 56
- e. Yes, On-Site Operator Training page 59
- f. Yes, Design, Testing, and Construction page 52
- g. Yes, LNG plants will be inspected at least every three years, with more frequent inspections desirable. Located on page 26.

- |   |   |   |   |
|---|---|---|---|
| 2 | Do written procedures address inspection priorities of each operator, and if necessary each unit, based on the following elements and time frames established in its procedures? Chapter 5.1<br>Yes = 4 No = 0 Needs Improvement = 1-3  | 4 | 4 |
|   | <ul style="list-style-type: none"><li>a. Length of time since last inspection</li><li>b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)</li><li>c. Type of activity being undertaken by operators (i.e. construction)</li><li>d. Locations of operator's inspection units being inspected - (HCA's, Geographic area, Population Centers, etc.)</li><li>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)</li><li>f. Are inspection units broken down appropriately?</li></ul> |   |   |

### Evaluator Notes:

- a. thru f. Yes, this is listed in NE SFM ICP, Section E.2 ? Inspection Priority, pages 24-27. A review of data in portal and Data Mart determined inspection units are identified correctly. No issues.

- |   |   |   |   |
|---|---|---|---|
| 3 | (Compliance Procedures) Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1<br>Yes = 3 No = 0 Needs Improvement = 1-2  | 3 | 3 |
|   | <ul style="list-style-type: none"><li>a. Procedures to notify an operator (company officer) when a noncompliance is identified</li><li>b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns</li><li>c. Procedures regarding closing outstanding probable violations</li></ul> |   |   |

### Evaluator Notes:

- a. Yes, this item is listed in NE SFM ICP, Section H, Pipeline Safety Program Compliance Actions, starting on page 79.
- b. Yes, this is listed in Section H.6 - Monitoring of Pending Actions, page 85. Additionally, the Administrative Assistant will generate a monthly report of pending actions for follow-up and email the information to the deputies for review. This report will be reviewed by program manager on a routine schedule.
- c. Yes, this is listed in Section H.6 and mentioned in NOPV Correction & Section F.5-11 ? Compliance Follow-up page 61.

- 4 (Incident/Accident Investigations) Does the state have written procedures to address state actions in the event of an incident/accident? 3 3  
Yes = 3 No = 0 Needs Improvement = 1-2
- a. Mechanism to receive, record, and respond to operator reports of incidents, including after-hours reports
  - b. If onsite investigation was not made, do procedures require on-call staff to obtain sufficient information to determine the facts to support the decision not to go on-site.

Evaluator Notes:

- a. Yes, this item is discussed in detail in Section K-Pipeline Safety Program Investigations page 86.
- b. Yes, this item is discussed and provided in Section I.5 ? General Procedures for Investigations. "In some instances, incidents may be reported but no on-site investigation may be warranted upon receipt of additional information. In those instances, a memo to the operator File will be created documenting the reason(s) that an on-site investigation was not conducted." page 90

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5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No loss of point occurred in this section of the review.

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



## PART C - State Qualifications

Points(MAX) Score

- |   |   |   |   |
|---|---|---|---|
| 1 | Has each inspector and program manager fulfilled training requirements? (See Guidelines Appendix C for requirements) Chapter 4.4<br>Yes = 5 No = 0 Needs Improvement = 1-4  | 5 | 5 |
|   | <ul style="list-style-type: none"><li>a. Completion of Required OQ Training before conducting inspection as lead</li><li>b. Completion of Required DIMP/IMP Training before conducting inspection as lead</li><li>c. Completion of Required LNG Training before conducting inspection as lead</li><li>d. Root Cause Training by at least one inspector/program manager</li><li>e. Note any outside training completed</li><li>f. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector (Reference State Guidelines Section 4.3.1)</li></ul> |   |   |

Evaluator Notes:

- a. Yes, a review of TQ Blackboard found all inspectors including the Program Manager have completed OQ training.
- b. All inspectors have completed DIMP/TIMP requirements except Program Manager.
- c. & d. All individuals have completed the Root Cause/Investigation and LNG course.
- e. Outside training was attendance to NACE short course in Omaha.
- f. All inspectors have met the training requirement to be the lead inspector.

- |   |  |   |   |
|---|--|---|---|
| 2 | Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1<br>Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
|---|--|---|---|

Evaluator Notes:

- Yes, Program Manager continues to demonstrate excellent knowledge in the enforcement of the pipeline safety regulations. He was recently appointed as NAPSRS Treasurer.

- |   |  |           |           |
|---|--|-----------|-----------|
| 3 | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|

Evaluator Notes:

- No loss of points occurred in this section of the review.

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



## PART D - Program Performance

Points(MAX) Score

- |   |   |   |   |
|---|---|---|---|
| 1 | Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1<br>Yes = 5 No = 0 Needs Improvement = 1-4  | 5 | 0 |
|   | <ul style="list-style-type: none"><li>a. Standard (General Code Compliance)</li><li>b. Public Awareness Effectiveness Reviews</li><li>c. Drug and Alcohol</li><li>d. Control Room Management</li><li>e. Part 193 LNG Inspections</li><li>f. Construction (did state achieve 20% of total inspection person-days?)</li><li>g. OQ (see Question 3 for additional requirements)</li><li>h. IMP/DIMP (see Question 4 for additional requirements)</li></ul> |   |   |

### Evaluator Notes:

Random generated operators to be checked for this evaluation period consisted of five distribution systems including fifteen inspection units, three transmissions and one LNG. After initial review, it was determined to review all operators to determine the five-year inspection schedule (CY2015-CY2019) was met and in compliance to NE SFM Inspection Plan, Section e.3-Inspection Frequency and Considerations.

The following inspections did not meet the five-year intervals and a loss of five points occurred.

OM Plan Review:  
Central City, E&S, Tucker

Drug & Alcohol Inspection:  
Hastings, Nebraska City, Superior

DIMP IMP:  
E&S, Hastings

Damage Prevention Program:  
Central City, E&S, Superior, Tucker

OQ 1-8 (Plan Review)  
BRD One, E&S, MidAmerican, NPLF, Pender, Wahoo

OQ Protocol:  
BRD One, E&S, Lyons, NPLF, NEW, Pender, Scribner, Stuart, Timberline, Wisner

PAPEI:  
BRD One, Central City, Fremont, LES-LFG, MidAmerican, Nebraska City, Pender, Timberline, Wisner

TIMP IMP:  
Central City

- |   |   |    |    |
|---|---|----|----|
| 2 | 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. Do inspection records indicate that adequate reviews of procedures, records and field activities, including notes and the appropriate level of inspection person-days for each inspection, were performed?<br>Yes = 10 No = 0 Needs Improvement = 1-9 | 10 | 10 |
|   | <ul style="list-style-type: none"><li>a. Standard (General Code Compliance)</li><li>b. Public Awareness Effectiveness Reviews</li><li>c. Drug and Alcohol</li></ul>   |    |    |

- d. Control Room Management
- e. Part 193 LNG Inspections
- f. Construction
- g. OQ (see Question 3 for additional requirements)
- h. IMP/DIMP (see Question 4 for additional requirements)

Evaluator Notes:

Yes, the agency continues to use PHMSA Equivalent forms and NE SFM Inspection forms that are relative to damage prevention. All forms are listed in NE SFM ICP, Appendix B & C. A review of random selected inspection reports found all sections of the documents were filled in and complete.

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|---|---|---|---|
| 3 | 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 established in the operator's plan. 49 CFR 192 Part N | 2 | 1 |
|---|---|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

A review of inspection data found OQ Plan reviews were not conducted on BRD One, E&S, Mid-American, NPLF, Pender & Wahoo in the last five years. OQ Protocols 9 were not performed on NPLF, NWE, Pender, Scribner, Timberline & Wisner in accordance to inspection interval requirements. A loss of one point occurred.

- |   |   |   |   |
|---|---|---|---|
| 4 | Is state verifying operator's integrity management Programs (IMP and DIMP)? This should include a review of plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operator's plan(s). 49 CFR 192 Subpart P | 2 | 2 |
|---|---|---|---|

Yes = 2 No = 0 Needs Improvement = 1

- a. Are the state's largest operator(s) plans being reviewed annually?
- b. Are states verifying with operators any plastic pipe and components that have shown a record of defects/leaks and mitigating those through DIMP plan?
- c. Are the states verifying operators are including low pressure distribution systems in their threat analysis?

Evaluator Notes:

Yes, these items are checked and identified on NSFM Form F 5.15.2 Annual Report Review Transmission form.

- |   |  |   |   |
|---|--|---|---|
| 5 | Did the state review the following (these items are NTSB recommendations to PHMSA that have been deemed acceptable response based on PHMSA reviewing these items during the evaluation process): Chapter 5.1 | 2 | 2 |
|---|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

- a. Operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken;
- b. 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);
- c. 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;
- d. 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;
- e. 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;
- f. Operator procedures for considering low pressure distribution systems in threat analysis?
- g. Operator compliance with state and federal regulations for regulators located inside buildings?



Evaluator Notes:

- a. & b. These items are reviewed during the inspection with the operator and listed on Federal Inspection Form #2, page 4 Part 192.489 & 192.613.
- c. This item is listed in Form 5.3 Standard Procedures Inspection page 7, Reference Part 192.615 (a) (7).
- d. This item is in Form F.5-2 Standard Inspection Reference Part 192.617.
- e. This item is listed in NSFM Annual Inspection Forms NSFM F5-15.1 and Form NSFM F.5-9.
- f. Yes, NE SFM has been in contact with each operator pertaining to low pressure distribution system threats.
- g. Black Hills and other operators are removing inside meters & regulators during main line replacement projects.

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6	Did the State verify Operators took appropriate action regarding advisory bulletins issued since the last evaluation? (Advisory Bulletins Current Year) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

This information was reviewed with the operators at their pipeline safety seminar and discussed at each inspection audit.

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7	(Compliance Activities) Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1 Yes = 10 No = 0 Needs Improvement = 1-9	10	10
	a. Were compliance actions sent to company officer or manager/board member if municipal/government system?		
	b. Were probable violations documented properly?		
	c. Resolve probable violations		
	d. Routinely review progress of probable violations		
	e. Did state issue compliance actions for all probable violations discovered?		
	f. Can state demonstrate fining authority for pipeline safety violations?		
	g. Does Program Manager review, approve and monitor all compliance actions? (note: Program Manager or Senior Official should sign any NOPV or related enforcement action)		
	h. Did state compliance actions give reasonable due process to all parties? Including "show cause" hearing, if necessary.		
	i. Within 30 days, conduct a post-inspection briefing with the owner or operator outlining any concerns		
	j. Within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection. (Incident investigations do not need to meet 30/90-day requirement)		

Evaluator Notes:

- a. Reviewed compliance action letters sent to Metropolitan Utilities District, Black Hills Energy & Timberline pertaining to probable violations. All letters were sent to company officers.
- b. Yes, probable violations were listed in compliance letter along with a description of the findings of facts.
- c. Yes, probable violations were corrected by operator acting to correct the items found to be in non-compliance.
- d. Yes, program manager routinely reviews letters and correspondence from operator on non-compliance items.
- e. Yes, seven violations were issued in CY2019 to four operators.
- f. State continues to submit proposed civil amounts to NE AG office but no action has been taken in assessing a civil penalty in the year under review CY2019. However, AG has issued a civil penalty in the first quarter of CY2020. Based on this current action, no loss of points occurred on this item.
- g. Yes, a review of compliance letters confirm letters are signed by Program Manager.

h. Yes, due process is listed in letter under, "option for gas operator". Civil penalty amounts for non-compliance are listed in letter via NE statute.

i & j. Yes, an exit interview and letter is provided to the operator within 30 days after the inspection.

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<b>8</b>	(Incident Investigations) Were all incidents investigated, thoroughly documented, with conclusions and recommendations? Yes = 10 No = 0 Needs Improvement = 1-9	10	10
	a. Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports?		
	b. Did state keep adequate records of Incident/Accident notifications received?		
	c. If onsite investigation was not made, did the state obtain sufficient information from the operator and/or by means to determine the facts to support the decision not to go on site?		
	d. Were onsite observations documented?		
	e. Were contributing factors documented?		
	f. Were recommendations to prevent recurrences, where appropriate, documented?		
	g. Did state initiate compliance action for any violations found during any incident/accident investigation?		
	h. Did 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?		
	i. Does state share any lessons learned from incidents/accidents?		

Evaluator Notes:

- a. Yes, this is listed in NE SFM ICP, Section I-pipeline Safety Program Investigation.
- b. No accidents occurred in CY2019. However, a review of CY2018 found incidents that occurred at Metropolitan Utilities District and Black Hills Energy were well documented.
- c. Yes, a review of previous incidents found supporting facts that caused the incidents were listed.
- d. thru f. No accidents occurred in CY2019. However, a review of CY2018 found incidents that occurred were well documented.
- g. & h. No incidents occurred in CY2019.
- i. Yes, information about previous incidents and third-party damages are presented and discussed at NAPS Region Meetings or conference calls.

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<b>9</b>	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 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

Yes, Christopher Cantrell, Nebraska State Fire Marshal response letter to Zach Barrett was received on November 20, 2019 and within the sixty day required time frame.

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<b>10</b>	Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5 Info Only = No Points	Info Only	Info Only
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Evaluator Notes:

Yes, the agency held their 2019 Nebraska Pipeline Safety Seminar in Columbus, NE February 5-7, 2019

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<b>11</b>	Has state confirmed transmission operators have submitted information into NPMS database along with changes made after original submission? Info Only = No Points	Info Only	Info Only
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Evaluator Notes:

Yes, this item is listed on Form F 5-15.2 Annual Report Review Transmission.

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- |           |  |   |   |
|-----------|--|---|---|
| <b>12</b> | 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).<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes, Nebraska State Fire Marshall website provides information to stakeholders about the pipeline safety regulations, NE 811 Center and other safety items. They are participating in other stakeholder meetings with landscaping, irrigation and construction contractor associations in awareness about their pipeline safety and one call programs.

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- |           |   |   |   |
|-----------|---|---|---|
| <b>13</b> | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

A review of Data Mart found one safety related condition report submitted by Northwestern Energy Company on 07-17-2019. The site was check by staff member Tyler L. Dean and closed after work was completed on 07-18-19.

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|-----------|--|---|---|
| <b>14</b> | Was the State responsive to:<br>Yes = 1 No = 0 Needs Improvement = .5<br>a. Surveys or information requests from NAPSRS or PHMSA;<br>b. Operator IM notifications; and<br>c. PHMSA Work Management system tasks? | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes, conversation with Robert Clarillos found excellent response from David Levering to surveys were being provided. He participated in 8 out of 17 surveys in CY2019.

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|-----------|--|---|---|
| <b>15</b> | 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.<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

There continues to be three state waivers listed on PHMSA website.

1. Aquila, Inc. 2/29/04
2. Aquila, Inc. 05/18/05
3. NorthWestern Energy 03/26/10

Program Manager will need to contact John Gale, PHMSA, to have these permits removed from PHMSA website.

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|-----------|---|-----------|-----------|
| <b>16</b> | Were pipeline program files well-organized and accessible?<br>Info Only = No Points | Info Only | Info Only |
|-----------|---|-----------|-----------|

Evaluator Notes:

Based on previous review of office files last year and discussion with program manager nothing has changed, files were well-organized.

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|-----------|---|---|---|
| <b>17</b> | Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT). Has the state updated SICT data?<br>Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
|-----------|---|---|---|

Evaluator Notes:

Program manager is familiar with SICT and recently submitted the 2021 inspection person days data. For CY2020 the SICT is 405 and construction inspections are 81

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|-----------|--|-----------|-----------|
| <b>18</b> | Discussion on State Program Performance Metrics found on Stakeholder Communication site.\ <a href="http://primis.phmsa.dot.gov/comm/states.htm?nocache=4805">http://primis.phmsa.dot.gov/comm/states.htm?nocache=4805</a><br>Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

A review of PHMSA State Program Metrics site for Nebraska found an uptick in damages per 1,000 locate request to 1.7. Total leaks eliminated continue to increase from previous year is an indication of operators taking action to clear leaks.

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- 19** Did the state encourage and promote operator implementation of Pipeline Safety Management Systems (PSMS), or API RP 1173? This holistic approach to improving pipeline safety includes the identification, prevention and remediation of safety hazards. Info Only Info Only

Info Only = No Points

- a. <https://pipelinesms.org/>
- b. Reference AGA recommendation to members May 20, 2019

Evaluator Notes:

Yes, this item was discussed at their recent pipeline safety seminar. Additionally, reviewed PSMS site and information with program manager.

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- 20** General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

A loss of six points occurred in this section of the review. Questions D.1 & D.3.

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Total points scored for this section: 44  
Total possible points for this section: 50



## PART E - Field Inspections

Points(MAX) Score

- 1 Operator, Inspector, Location, Date and PHMSA Representative (enter specifics into the comments box below) Info Only Info Only

Info Only = No Points

- What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc)
- When was the unit inspected last?
- Was pipeline operator or representative present during inspection?
- Effort should be made to observe newest state inspector with least experience

### Evaluator Notes:

On October 21, 2020, Glynn Blanton, PHMSA State Programs, via MS TEAMS & FaceTime observed the inspection of the City of Wahoo in Wahoo, NE. The inspection type performed was Operator Qualification Field Inspection and follow-up on PAP. The unit was last inspected on November 5, 2017. The following company representatives were present: Mr. Chris Otte, Superintendent, Gas Department, Mr. Wayne Strang, Welder and Mr. Jeff Peterson, Gas Technician. Due to limitation on travel and availability of inspectors, Mr. Arnie Bates was selected to be observed.

- 2 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, Mr. Arnie Bates used the Nebraska NSFM F.5-7(F) form to perform the operator qualification inspection.

- 3 Did the inspector adequately review the following during the inspection 10 10

Yes = 10 No = 0 Needs Improvement = 1-9

- Procedures (were the inspector's questions of the operator adequate to determine compliance?)
- Records (did the inspector adequately review trends and ask in-depth questions?)
- Field Activities/Facilities (did inspector ensure that procedures were being followed, including ensuring that properly calibrated equipment was used and OQ's were acceptable?)
- Other (please comment)
- Was the inspection of adequate length to properly perform the inspection?

### Evaluator Notes:

The inspector asked questions about the individuals being observed locating a service line and main. The questions pertain to the locating equipment and any abnormal operation conditions they may encountered. A field inspection was performed on two district regulator stations located at Old Hwy 77 & L and A Street & Maple. Pipe-to-soil readings were taken at the stations and a reading of 1.638MV was observed. A check of the odorization station was conducted and found to be operating correctly. The inspection was of adequate length based on the items to be inspected and checked in the field. No issues were noted on the inspection.

- 4 From your observation did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) 2 2

Yes = 2 No = 0 Needs Improvement = 1

### Evaluator Notes:

Yes, Mr. Bates has completed all training courses at TQ and qualified Gas Inspector. He has over 17 years of experience in performing natural gas safety inspections.

- 5 Did the inspector conduct an exit interview, including identifying probable violations? (If inspection is not totally completed the interview should be based on areas covered during time of field evaluation) 1 1

Yes = 1 No = 0 Needs Improvement = .5

### Evaluator Notes:

Yes. An exit interview was conducted at the end of the day with Chris Otte, Gas Superintendent. No violations or areas of concerns were found or noted.

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**6** Was inspection performed in a safe, positive, and constructive manner ?

Info Only Info Only

Info Only = No Points

- a. No unsafe acts should be performed during inspection by the state inspector
- b. What did the inspector observe in the field? (Narrative description of field observations and how inspector performed)
- c. Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices)
- d. Other

Evaluator Notes:

No unsafe acts were performed by the inspector or company personnel as they located the service line and main. Additionally, safe procedures were followed in checking each of the two regulator stations and odorization tank. Inspector observed company personnel taking cathodic protection readings at the district regulator stations and checking pressure readings gauges at the inlet and outlet side of the stations. Excellent safety practices were observed and followed. No issues.

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**7** General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No loss of points occurred in this section of the review.

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



**PART F - Damage prevention and Annual report analysis****Points(MAX) Score**

- |   |  |   |   |
|---|--|---|---|
| 1 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues.<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

**Evaluator Notes:**

Yes, staff members review the operator's annual report by completing and following the Inspection Method detailed in Section F.5-13. Information gained from the Annual Reports will be entered into the operator Risk Analysis Database for utilization in the Inspection Priority; Section E.2.

- |   |  |   |    |
|---|--|---|----|
| 2 | Has the state verified that the operators analyze excavation damages for the purpose of determining root causes and minimizing the possibility of a recurrence? (? 192.617)<br>Has the state verified that the operators have appropriately identified excavators who have repeatedly violated one-call laws and damaged their facilities. Have the operators taken steps to mitigate that risks? (? 192.1007)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | NA |
|---|--|---|----|

**Evaluator Notes:**

They are performing damage prevention audits on each operator and sharing information about their state one call law at seminars and meetings.

- |   |   |   |    |
|---|---|---|----|
| 3 | Has the state reviewed the operator's annual report pertaining to Part D ? Excavation Damage?<br>Yes = 4 No = 0 Needs Improvement = 1-3 <ol style="list-style-type: none"><li>a. Is the information complete and accurate with root cause numbers?</li><li>b. Has the state evaluated the causes for the damages listed under "One-Call Notification Practices Not Sufficient" (Part D.1.a)?</li><li>c. Has the state evaluated the causes for the damages listed under "Locating Practices Not Sufficient" (Part D.1.b)? For each operator, does the state review the following?</li><li>d. Is the operator or its locating contractor(s) qualified and following written procedures for locating and marking facilities?</li><li>e. Is the operator appropriately requalifying locators to address performance deficiencies?</li><li>f. What is the number of damages resulting from mismarks?</li><li>g. What is the number of damages resulting from not locating within time requirements (no-shows)?</li><li>h. Is the operator appropriately addressing discovered mapping errors resulting in excavation damages?</li><li>i. Are mapping corrections timely and according to written procedures?</li><li>j. Has the state evaluated the causes for the damages listed under "Excavation Practices Not Sufficient" (Part D.1.c)?</li></ol> | 4 | NA |
|---|---|---|----|

**Evaluator Notes:**

- a. Yes, this is being reviewed during the safety audit.
- b. Yes.
- c. Yes
- d. Yes, this is being reviewed on inspection and damage prevention investigations.
- e. Yes, this item is checked and reviewed with the operator on each inspection visit.
- f. The number of damages resulting from mismark is 105.
- g. Number of damages resulting from not locating within time requirements is only 1.
- h. Yes
- i. Yes
- j. Yes

- |   |   |   |   |
|---|---|---|---|
| 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?<br>Yes = 2 No = 0 Needs Improvement = 1 <ol style="list-style-type: none"><li>a. What stakeholder group is causing the highest number of damages to the pipelines? Operator, contractor, locating company or public.</li></ol> | 2 | 2 |
|---|---|---|---|

- b. Has the state verified the operator is appropriately focusing damage prevention education and training to stakeholders causing the most damages?
- c. Has the state evaluated which of the following best describes the reason for the excavation damages; i.e., operator or contractor not following written procedures, failure to maintain marks, failure to support exposed facilities, failure to use hand tools were required, failure to test-hole (pot hole), improper backfilling practices, failure to maintain clearance or insufficient excavation practices.
- d. Has the state verified the operator is appropriately focusing damage prevention education and training to address the causes of excavation damages?

Evaluator Notes:

- a. The excavator is causing the highest number of damages.
- b. Yes, this is reviewed during the damage prevention audit.
- c. Yes, failure to use hand tools where required and failure to maintain marks.
- d. Yes, this item is reviewed during the damage prevention audit.

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**5** General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No loss of points occurred in this section of the review.

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





## PART G - Interstate Agent/Agreement States

Points(MAX) Score

- 1 Were all inspections of interstate pipelines conducted using the Inspection Assistant program for documenting inspections. Info Only Info Only  
Info Only = No Points

Evaluator Notes:

NE SFM is not an interstate agency and does not have a 60106 agreement with PHMSA

- 2 If inspections were conducted independent of a PHMSA team inspection was notice of all identified probable violations provided to PHMSA within 60 days. Info Only Info Only  
Info Only = No Points

Evaluator Notes:

NE SFM is not an interstate agency and does not have a 60106 agreement with PHMSA

- 3 If inspections were conducted independent of a PHMSA team inspection was PHMSA immediately notified of conditions which may pose an immediate safety hazard to the public or environment? Info Only Info Only  
Info Only = No Points

Evaluator Notes:

NE SFM is not an interstate agency and does not have a 60106 agreement with PHMSA

- 4 If inspections were conducted independent of a PHMSA team inspection did the state coordinate with PHMSA if inspections not were not included in the PHMSA Inspection Work Plan? Info Only Info Only  
Info Only = No Points

Evaluator Notes:

NE SFM is not an interstate agency and does not have a 60106 agreement with PHMSA

- 5 Did the state take direction from and cooperate with PHMSA for all incident investigations conducted on interstate pipelines? Info Only Info Only  
Info Only = No Points

Evaluator Notes:

NE SFM is not an interstate agency and does not have a 60106 agreement with PHMSA

- 6 General Comments: Info Only Info Only  
Info Only = No Points

Evaluator Notes:

NE SFM is not an interstate agency and does not have a 60106 agreement with PHMSA

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