

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

## 2018 Gas State Program Evaluation

for

NEBRASKA PIPELINE SAFETY DIVISION

### Document Legend

#### PART:

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



# 2018 Gas State Program Evaluation -- CY 2018

Gas

**State Agency:** Nebraska

**Agency Status:**

**Date of Visit:** 10/07/2019 - 10/11/2019

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

**Rating:**

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

**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

## INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2018 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

## Scoring Summary

### PARTS

### Possible Points Points Scored

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

10 10  
13 13  
46 46  
15 14  
11 11  
8 8  
12 12  
0 0  
0 0

### TOTALS

115 114

**State Rating** ..... 99.1

## 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<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

A review of Attachment 1 found the number of operators and units inspected were higher than in previous year.

- |   |  |   |   |
|---|--|---|---|
| 2 | Review of Inspection Days for accuracy - Progress Report Attachment 2<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

A review of inspection days of each activity listed in Attachment 2 found the data to be higher than in previous year. A noticeable increase in construction, operator qualification and incident investigations were found. Total number of inspections performed were 462. This was an increase of 60 inspections from last year's.

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

Evaluator Notes:

List of Operator types and inspection units reviewed found they are consistent with the data entries in Attachment 1.

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

Evaluator Notes:

A review of NRC Reporting data base found three incidents that occurred in CY2018. Each of the incidents were investigated by NE SFM personnel.

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

Evaluator Notes:

A review of Attachment 5 found the number of carryovers to be corrected at end of CY and is higher from previous year. No civil penalties were assessed or collected in the year under review. However, 18 compliance actions were issued but no action has been taken by the Attorney General's Office in resolving the violations or possible civil penalties. Two of the compliance actions date back to 2016.

- |   |   |   |   |
|---|---|---|---|
| 6 | Were pipeline program files well-organized and accessible? - Progress Report Attachment 6<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes program files and records located in NE SFM office were well-organized and accessible.

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

Evaluator Notes:

Yes, information was correct. A review of Attachment 7 and TQ Blackboard records show Arnold Bates, Kevin Bumgardner, Tyler Dean and Doug Donnelson have completed training to meet the Gas Inspector & Gas IM training requirements. All inspectors have completed the Root Cause/Incident Investigation course.

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

Evaluator Notes:

A review of Attachment 8 found Amendments 118 and 123 continue to show as "taking steps to adopt". The civil penalty amounts were listed as \$10,000 per violation to a maximum amount of \$50,000. However, Program Manager was aware of the error of \$50,000 that was entered instead of \$500,000, and has corrected the error via email to Carrie Winslow on 10-08-19.

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- |          |   |   |   |
|----------|---|---|---|
| <b>9</b> | List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 | 1 | 1 |
|          | Yes = 1 No = 0 Needs Improvement = .5   |   |   |

Evaluator Notes:

Yes, planned and past program performance items were listed. No issues with the document.

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- |           |                       |           |           |
|-----------|-----------------------|-----------|-----------|
| <b>10</b> | 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: 10  
Total possible points for this section: 10



## PART B - Program Inspection Procedures

Points(MAX) Score

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

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, this information in detail is provided in Nebraska State Fire Marshal Inspection & Compliance Plan, September 18, 2018, Sections F.5&#8208;1, F.5-2? Standard Field & Records Inspections located on pages 29-37.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, this information in detail is provided in Nebraska State Fire Marshal Inspection & Compliance Plan, September 18, 2018, Section F. Subpart F.5-4 pages 41-46

- |   |  |   |   |
|---|--|---|---|
| 3 | OQ Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, this information is provided in Nebraska State Fire Marshal Inspection & Compliance Plan, September 18, 2018, Section F. subpart F.5-7 ? Operator Qualification (OQ) Program on pages 49-52.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, this information is provided in Nebraska State Fire Marshal Inspection & Compliance Plan, September 18, 2018, Section F. subpart F.5-9 pages 56-59.

- |   |  |   |   |
|---|--|---|---|
| 5 | Any operator training conducted should be outlined and appropriately documented as needed. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, this information is provided in Nebraska State Fire Marshal Inspection & Compliance Plan, September 18, 2018, Section F.5&#8208;10 ? On&#8208;Site operator Training pages 59-61.

- |   |  |   |   |
|---|--|---|---|
| 6 | Construction Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, this information is provided in Nebraska State Fire Marshal Inspection & Compliance Plan, September 18, 2018, Section F.5&#8208;8 ? Design, Testing, and Construction, pages 52-56.

- |   |   |   |   |
|---|---|---|---|
| 7 | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? | 6 | 6 |
|---|---|---|---|

Yes = 6 No = 0 Needs Improvement = 1-5

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

Evaluator Notes:

a. to e.: Yes, this information is listed in Nebraska State Fire Marshall Inspection & Compliance Plan dated September 18, 2018, Section E-2 pages 24-27.

f.: Yes, inspection units are reviewed annually by Program Manager. No issues with inspection units.

**8** General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

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

Total points scored for this section: 13  
Total possible points for this section: 13



## PART C - Program Performance

Points(MAX) Score

- 1 Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 5 5  
Yes = 5 No = 0
- A. Total Inspection Person Days (Attachment 2):  
462.00
- B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
220 X 4.00 = 880.00
- Ratio: A / B  
462.00 / 880.00 = 0.53
- If Ratio  $\geq$  0.38 Then Points = 5, If Ratio  $<$  0.38 Then Points = 0  
Points = 5

### Evaluator Notes:

- A. Total Inspection Person Days (Attachment 2) = 462
- B. Total Inspection Person Days Charged to the program (220 \* Number of Inspection person years (Attachment 7)) = 880
- Formula:- Ratio = A/B = 462/880 = 0.52
- Rule:- (If Ratio  $\geq$  .38 then points = 5 else Points = 0.)
- Thus Points = 5

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 5 5  
Yes = 5 No = 0 Needs Improvement = 1-4
- a. Completion of Required OQ Training before conducting inspection as lead? Yes ☒ No ☐ Needs Improvement ☐
- b. Completion of Required DIMP\*/IMP Training before conducting inspection as lead? \*Effective Evaluation CY2013 Yes ☒ No ☐ Needs Improvement ☐
- c. Root Cause Training by at least one inspector/program manager Yes ☒ No ☐ Needs Improvement ☐
- d. Note any outside training completed Yes ☒ No ☐ Needs Improvement ☐
- e. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. Yes ☒ No ☐ Needs Improvement ☐

### Evaluator Notes:

- a. All inspectors including Program Manager have completed the OQ training requirements. b. All inspectors have completed DIMP/IMP training requirements except the Program Manager. c. All inspectors including the Program Manager have completed the Root Cause/Investigation Course. d. All four inspectors attended the NACE short course in Omaha, NE on January 16-17, 2018. e. All inspectors have completed the Gas Training requirement to be the lead inspector. Program Manager has recently completed the last required course PL1310 in CY2019.

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

### Evaluator Notes:

- Yes, Program Manager has made great strides in completing all required TQ courses in the last 12 months. The recent changes in NE SFM program procedures manual clearly demonstrate his working knowledge as a program manager.

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

### Evaluator Notes:

- Yes, State Fire Marshal Jim Heine's response letter to Zach Barrett was sent on September 26, 2018, and within the sixty day time requirement.

- 5 Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5 1 1

Yes = 1 No = 0

Evaluator Notes:

Yes, NSFM hosted a pipeline safety seminar on February 4-6, 2018, in Columbus, NE. Number of attendees were seventy-four operators.

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

Evaluator Notes:

Yes, as listed in procedures: Inspections will occur at least every five (5) years. A review of NE SFM "W" drive found all inspections are being performed in accordance to the procedures. No issues or areas of concern pertaining to performing inspections.

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7	Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1	2	2
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Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, NSFM is using PHMSA Equivalent forms and NSFM Inspection form that are relative to damage prevention. These forms are listed as Appendix B (PHMSA Equivalent Forms) and Appendix C in their procedures manual. A review of NE SFM "W" drive on inspection reports confirm forms were completed correctly.

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8	Did the state review operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken? (NTSB) Chapter 5.1	1	1
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Yes = 1 No = 0

Evaluator Notes:

Yes, this is reviewed with the operator during an inspection and listed on the Federal inspection form-# 2 Part 192.489 (b); pp. 19.

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9	Did the state review operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance) (NTSB) Chapter 5.1	1	1
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Yes = 1 No = 0

Evaluator Notes:

Yes, this is reviewed with the operator during an inspection and listed on the Federal inspection form-# 2, pg 4 Part 192.613 (a).

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

Evaluator Notes:

Yes, this is accomplished in NSFM Form 5.3. Standard Procedures Inspection, page 7. Reference Part 192.615 (a) (7).

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

Evaluator Notes:

Yes, this is accomplished in NSFM Form F.5-2. Standard Procedures Inspection. Reference Part 192.617.



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

Evaluator Notes:

Yes, NSFM created and standardized a form in reviewing annual reports. The form is used in rank risking the operators pertaining to the type of inspection to be performed.

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

Evaluator Notes:

Yes, this is accomplished on NSFM Form F 5-15.2 Annual Report Review Transmission, page 4.

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

Evaluator Notes:

Yes, this is accomplished by using the NSFM Form F 5.14 (C) Drug & Alcohol Inspection Comprehensive.

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

Evaluator Notes:

Yes, this is accomplished by using NSFM Forms F 5.14 (C) & F 5.14 (S) Drug & Alcohol Inspection.

- 16 Is state verifying operator's gas transmission integrity management programs (IMP) are up to date? This should include a previous review of IMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). (Are the State's largest operators programs being contacted or reviewed annually? Are replies to Operator IM notifications addressed? (formerly part of Question C-13)). 49 CFR 192 Subpart 0 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, this is accomplished by using the NSFM Form F 5.15.2 Annual Report Review Transmission.

- 17 Is state verifying operator's gas distribution integrity management Programs (DIMP)? 2 2  
This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). (Are the State's largest operators programs being contacted or reviewed annually?). 49 CFR 192 Subpart P  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, this question and verification of the program has been added to the NSFM Form F 5.15.1 Annual Report Review Distribution. The State's largest operators are reviewed annually. A review of data base and files confirm the operators were contacted.

- 18 Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. PAPEI Effectiveness Inspections should be conducted every four years by operators. 49 CFR 192.616 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, a review of files and spreadsheet confirm the PAPEI inspections have been completed and reviewed in accordance to

NSFM procedures. The last inspections performed were in CY2017. The operator is reviewing the effectiveness of the program annually and is sharing this information with the inspectors during their inspections.

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

Evaluator Notes:

Yes, NSFM has a website that provides information for all stakeholders on pipeline safety violations, links to NE 811 Center, annual report filings and PHMSA.

- 20 Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 1 NA  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

No safety related condition reports in CY2018.

- 21 Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, this question has been added to the review of the annual report document submitted by the operators. A review of files confirm this action.

- 22 Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA? 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, NSFM has responded to all surveys from NAPSRS. A review found three surveys have been completed and filed with NAPSRS. No issues of concern.

- 23 If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate. 1 1  
No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

Yes, NSFM has three waivers listed on PHMSA's website that are not relative to the pipeline safety regulations. Program Manager will contact John Gale, PHMSA, and have these waivers removed. Additionally, one waiver was granted to Northwestern Gas Company and the waiver is not posted on PHMSA's website for CY2019.

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

Evaluator Notes:

Yes, David Levering attended the NAPSRS 2018 Board of Directors meeting in San Fe, NM.

- 25 Discussion on State Program Performance Metrics found on Stakeholder Communication site - <http://primis.phmsa.dot.gov/comm/states.htm> 2 2  
No = 0 Needs Improvement = 1 Yes = 2

- a. Discussion of Potential Accelerated Actions (AA's) based on any negative trends Yes ☒ No ☐ Needs Improvement ☐  
b. NTSB P-11-20 Meaningful Metrics Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

A review of PHMSA State Program Metrics site was discussed with Program Manager and inspectors. It was agreed damages have increased but this was contributed to an increase in the number of locate requested. They will continue to monitor the metrics and take action to reduce damages to underground facilities with their public awareness campaign.

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26	Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT) Has the State updated SICT data? No = 0 Yes = 1	1	NA
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Evaluator Notes:

Reviewed the SICT calculations and determined the number 388 for CY2019 was correct. No issues of concern in meeting the inspection day requirements.

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

NA.

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

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

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Total points scored for this section: 46  
Total possible points for this section: 46



## PART D - Compliance Activities

Points(MAX) Score

- |          |  |   |   |
|----------|--|---|---|
| <b>1</b> | 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 = 4 No = 0 Needs Improvement = 1-3 | 4   | 4                                       |
| a.       | Procedures to notify an operator (company officer) when a noncompliance is identified  | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b.       | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns  | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c.       | Procedures regarding closing outstanding probable violations   | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

### Evaluator Notes:

- a. Yes, this information is located in NSFM Pipeline Safety Section Inspection Plan, Section H.2, page 80.
- b. Yes, this information is located in NSFM Pipeline Safety Section Inspection Plan Section H.6?&#8208;?Monitoring?of? Pending?Actions To Monitor Compliance. The Administrative Assistant in Pipeline Safety Office will generate a monthly report of pending actions for follow-up and email the information to the deputies for review. This will report will also be reviewed by the program manager.
- c. Yes, this is addressed in Section H. 2, NOPV Correction & Follow-up section of the procedures.

- |          |  |   |   |
|----------|--|---|---|
| <b>2</b> | Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? (Incident Investigations do not need to meet 30/90 day requirement) Chapter 5.1<br>Yes = 4 No = 0 Needs Improvement = 1-3 | 4   | 4                                       |
| a.       | Were compliance actions sent to company officer or manager/board member if municipal/government system?  | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b.       | Document probable violations   | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c.       | Resolve probable violations  | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d.       | Routinely review progress of probable violations   | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e.       | Within 30 days, conduct a post-inspection briefing with the owner or operator of the gas or hazardous liquid pipeline facility inspected outlining any concerns; and   | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| f.       | Within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection.  | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

### Evaluator Notes:

- a. Yes, a review of files found compliance action letters were sent to company officers. Examples, Letter to Jeff Sylvester, VP Black Hills Energy on February 26, 2018; Todd Anderson, Mayor, City of Ponca on March 16, 2018; Ron Reisner, Sr VP Metropolitan Utilities District on July 10, 2018;
- b. Yes, a review of letters found violations were documented. No issues.
- c. Yes, the Attorney's General (AG) in 2018, closed five violations and currently has fifteen violations that are open.
- d. Yes, Program Manager reviews probable violations with the AG's office quarterly on anticipated compliance action that is being taken.
- e. Yes, this is addressed in the NSFM written procedures.
- f. Yes, this is addressed in the NSFM written procedures.

- |          |  |   |   |
|----------|--|---|---|
| <b>3</b> | Did the state issue compliance actions for all probable violations discovered?<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

### Evaluator Notes:

- Yes, eighteen compliance actions were issued in CY2018. Eight of the compliance actions are currently at the AG's office for additional action on compliance or potential civil penalties.

- |   |   |   |   |
|---|---|---|---|
| 4 | Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary.<br>Yes = 2 No = 0 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, this item is listed in the procedures under Section H.2 Notice of Probable Violation (NOPV). The operator has the following options:

1) Agree to the proposed compliance order: 2) Request the execution of a consent order under 190.219. 3) Submit a work plan to the Nebraska State Fire Marshal for consideration. 4) Object to the proposed compliance order and submit written explanations, information or other materials in answer to the allegations in the notice of probable violations. 5) Request a hearing under 190.211.

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- |   |   |   |   |
|---|---|---|---|
| 5 | Is the program manager familiar with state process for imposing civil penalties? Were civil penalties considered for repeat violations (with severity consideration) or violations resulting in incidents/accidents? (describe any actions taken)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, Program Manager is familiar with imposing civil penalties and has forwarded those types of violations and recommended penalties to the Attorney General Office for action. Currently, there is one case before the AG office that is being considered for a civil penalty.

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

Evaluator Notes:

Again, no civil penalties have been assessed against an operator for non-compliance in the last twelve years. This item was mentioned in previous state program evaluations and letters to State Fire Marshal. Improvement is needed. Therefore a loss of one point occurred.

- 
- |   |  |           |           |
|---|--|-----------|-----------|
| 7 | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|

Evaluator Notes:

A loss of one point occurred in this section of the review.

---

Total points scored for this section: 14  
Total possible points for this section: 15



## PART E - Incident Investigations

Points(MAX) Score

- 1 Does the state have written procedures to address state actions in the event of an incident/accident? 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, this item is covered under NSFM Pipeline Safety Procedures Section I- Pipeline Safety Program Investigations.

- 2 Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 2 2

Yes = 2 No = 0 Needs Improvement = 1

- a. Acknowledgement of MOU between NTSB and PHMSA (Appendix D) Yes ☒ No ☐ Needs Improvement ☐
- b. Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Yes, this item is covered under NSFM PL Inspection & Compliance Plan Section I.5 page 89.

The Program Manager and inspectors are familiar with MOU and Understanding of the Cooperation necessary between the State, PHMSA & NTSB on incident/accident investigations. This item was reviewed with the inspectors and being added to the NE SFM procedures document.

- 3 If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, a review of incidents that occurred at Metropolitan Utilities District on 5/12/18, Black Hills Energy on 08/30/18 and Metropolitan Utilities District on 10/30/18 found all incidents are investigated and responded to by NE SFM staff members.

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

Yes = 3 No = 0 Needs Improvement = 1-2

- a. Observations and document review Yes ☒ No ☐ Needs Improvement ☐
- b. Contributing Factors Yes ☒ No ☐ Needs Improvement ☐
- c. Recommendations to prevent recurrences when appropriate Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Yes, a review of incidents that occurred at Metropolitan Utilities District on 5/12/18, Black Hills Energy on 08/30/18 and Metropolitan Utilities District on 10/30/18 were reviewed and found information was provided to support the facts that cause the incidents. All incidents are investigated and a report of their findings is provided to the operator.

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

Yes = 1 No = 0

Evaluator Notes:

No violations were found. Therefore, no compliance action was necessary. The incidents that occurred were vehicle hitting a meter set and home and lightning strikes on a service line.

- 6 Did the state assist Region Office or Accident Investigation Division (AID) by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, emails were being provided to AID in updating information on each incident. No areas of concern.

---

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

Evaluator Notes:

Yes, information on the three incidents was provide by the Program Managers at the NAPSAR Central Regional Meeting in Wisconsin Dells.

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

Evaluator Notes:

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

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Total points scored for this section: 11  
Total possible points for this section: 11



## 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<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, this item is listed in NSFM Annual Inspection Form NSFM F5-15.1 and Form NSFM F.5-9 Damage Prevention Inspection.

- |   |  |   |   |
|---|--|---|---|
| 2 | Did the state inspector verify pipeline operators are following their written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system?<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, this is listed on Form NSFM F.5-9 Damage Prevention Inspection.

- |   |  |   |   |
|---|--|---|---|
| 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.)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, this is accomplished by NSFM conducting the outreach contractor meetings, locate workshops & Excavation Safety Summit.

- |   |  |   |   |
|---|--|---|---|
| 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, NSFM continues to review the data on the annual report submitted by the operators along with information from the NE 811 call center. The number of damages per 1,000 locate request in NE for CY2018 was 1.7 for natural gas.

- |   |  |           |           |
|---|--|-----------|-----------|
| 5 | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|

Evaluator Notes:

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

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:

Fremont Utilities Department Gas Division - City of Cedar Bluffs

Name of State Inspector(s) Observed:

Doug Donnelson, Deputy State Fire Marshal

Location of Inspection:

Cedar Bluffs, NE

Date of Inspection:

October 9, 2019

Name of PHMSA Representative:

Glynn Blanton, PHMSA State Evaluator

Evaluator Notes:

This was a standard inspection with a review of cathodic protection and regulator station.

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

Evaluator Notes:

Yes, Steve Cartland with the Fremont Utilities Department Gas Division was conducted by Doug Donnelson on September 27, 2019.

- 3 Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Doug Donnelson used the agency's inspection form. It was observed Mr. Donnelson taking field notes and recording the information at each location of the pipe-to-soil potential readings taken.

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

Evaluator Notes:

Yes, Mr. Donnelson performed a detailed and thorough inspection of the gas facilities located in the City of Cedar Bluffs. He reviewed the meter sets and relief devices at multiple customers service areas.

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

Evaluator Notes:

Yes, Mr. Donnelson reviewed the operators equipment and required the installation locking devices on two valves at the town regulator station. The operator had the devices on the truck.

- 6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

a. Procedures ☐

b. Records ☐

c. Field Activities ☒

d. Other (please comment) ☐

Evaluator Notes:

Random pipe-to-soil potential readings were taken and recorded. A review of the City of Cedar Bluffs take station and in-

town regulator station were checked. Customer meters and relief devices were reviewed for clearance and safe distance from open windows. No potential violations or areas of concerns were noted or found.

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

Evaluator Notes:

Mr. Doug Donnelson has completed all the required courses at TQ and is qualified as a Gas Inspector.

- |   |   |   |   |
|---|---|---|---|
| 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)<br>Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

Yes, information on readings and observation of stations were discussed with the Fremont Utilities Department Gas Division representative.

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

Evaluator Notes:

No violations were found.

- |    |   |           |           |
|----|---|-----------|-----------|
| 10 | General Comments: 1) What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) 2) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 3) Other.<br>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 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 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 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 checked="" type="checkbox"/> |
| v. | Overpressure Safety Devices       | <input type="checkbox"/>            |
| w. | Plastic Pipe Installation         | <input type="checkbox"/>            |
| x. | Public Education                  | <input checked="" type="checkbox"/> |
| y. | Purging                           | <input type="checkbox"/>            |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/>            |

- |    |                             |                                     |
|----|-----------------------------|-------------------------------------|
| A. | Repairs                     | <input type="checkbox"/>            |
| B. | Signs                       | <input checked="" type="checkbox"/> |
| C. | Tapping                     | <input type="checkbox"/>            |
| D. | Valve Maintenance           | <input type="checkbox"/>            |
| E. | Vault Maintenance           | <input type="checkbox"/>            |
| F. | Welding                     | <input type="checkbox"/>            |
| G. | OQ - Operator Qualification | <input type="checkbox"/>            |
| H. | Compliance Follow-up        | <input type="checkbox"/>            |
| I. | Atmospheric Corrosion       | <input checked="" type="checkbox"/> |
| J. | Other                       | <input type="checkbox"/>            |

Evaluator Notes:

During the inspection a damage prevention public aware meeting was performed on a construction crew working for Jacob Construction & Excavating LLC. Information pertaining to NE 811 program and how to request a locate was provided. Hand-out material about NE 811 was given to each construction crew members. The crew members were not aware that digging a drive-way required them to call for a locate.

Mr. Donnelson performed an excellent presentation that was informative and helpful to the construction crew members.

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



**PART H - Interstate Agent State (If Applicable)****Points(MAX)    Score**

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

Evaluator Notes:

NA

- |          |   |   |    |
|----------|---|---|----|
| <b>2</b> | Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- |          |  |   |    |
|----------|--|---|----|
| <b>3</b> | Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- |          |   |   |    |
|----------|---|---|----|
| <b>4</b> | 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.)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- |          |   |   |    |
|----------|---|---|----|
| <b>5</b> | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- |          |  |   |    |
|----------|--|---|----|
| <b>6</b> | Did the state give written notice to PHMSA within 60 days of all probable violations found?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- |          |   |   |    |
|----------|---|---|----|
| <b>7</b> | Did the state initially submit documentation to support compliance action by PHMSA on probable violations?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- |          |  |           |           |
|----------|--|-----------|-----------|
| <b>8</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:

NA

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

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

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

Evaluator Notes:

NA

- |          |  |   |    |
|----------|--|---|----|
| <b>2</b> | Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- |          |   |   |    |
|----------|---|---|----|
| <b>3</b> | 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.)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- |          |   |   |    |
|----------|---|---|----|
| <b>4</b> | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- |          |  |   |    |
|----------|--|---|----|
| <b>5</b> | Did the state give written notice to PHMSA within 60 days of all probable violations found?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- |          |  |   |    |
|----------|--|---|----|
| <b>6</b> | Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- |          |  |           |           |
|----------|--|-----------|-----------|
| <b>7</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:

NA

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