

Nebraska State Fire Marshal  
Unit Inspection: Records and Field Facilities

<b>Name of Operator:</b> Pender Utilities      UNIT #19-00-000		
<b>HQ Address:</b> Village of Pender Box S Pender, NE 68047		<b>System/Unit Address:</b>
<b>Co. Official:</b> Arden Shadbolt	<b>Record ID No.:</b> _____	
<b>Phone No.:</b> _____	<b>Phone No.:</b> _____	
<b>Fax No.:</b> _____	<b>Fax No.:</b> _____	
<b>Emergency Phone No.:</b> (402) 385-3018	<b>Emergency Phone No.:</b> (402) 385-3085	
<b>Persons Interviewed</b>	<b>Title</b>	<b>Phone No.</b>
Frank Fendrick	Utilities Superintendent	
Shawn Blahak	Gas Supervisor	
<b>Company System Maps</b> (Copies for Region Files):		
<b>Unit Description:</b> One TBS, Three DRS, 10 miles of Coated Steel mains, 2 miles of Plastic Mains, 125 coated steel services, 449 Plastic Services, and 24 emergency valves		
<b>Portion of Unit Inspected:</b> Operations and Maintenance records		
<b>Person conducting Inspection</b> Stephen Lucas DSFM 8715		 <b>Date:</b> May 12 & 13, 2010
<b>GAS SYSTEM OPERATIONS</b>		
<b>Gas Supplier</b>	Northern Natal	<b>Date:</b> _____
<b>Unaccounted for Gas:</b>	<b>Services:</b> <i>Residential</i> <i>Commercial</i> <i>Industrial</i> <i>Other</i>	
<b>Operating Pressure(s):</b>	<b>MAOP (Within last year)</b>	<b>Actual Operating Pressure</b> (At time of Inspection)
Feeder: 50 psig		
Town: 8 psig		
Other:		
Does the operator have any transmission pipelines?		

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SCREENING QUESTIONS

<b>Does the Operator have any:</b>		Yes	No
Gas storage facilities?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gas compressor facilities?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Transmission pipeline?	mile(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
High Pressure Distribution pipeline?	mile(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Low pressure Distribution pipeline?	mile(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pre-1970 low frequency ERW pipeline?	mile(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Polyethylene (PE) pipeline?	mile(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Polyvinyl Chloride (PVC) pipeline?	mile(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cast Iron pipeline?	mile(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Copper pipeline?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bare pipeline?	mile(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cathodically protected steel pipeline?	mile(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cathodically unprotected steel pipeline?	mile(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Isolated short sections of piping?	#	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Impressed current rectifiers?	#	<input type="checkbox"/>	<input checked="" type="checkbox"/>
History of Internal Corrosion?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Another Operator's pipeline(s) crossing or running parallel with pipeline?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pressure Limiting and/or Regulating Stations?	3 #	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

<b>Pipeline construction activity planned or within past year?</b>			<input type="checkbox"/>	<input checked="" type="checkbox"/>
Location	Length in miles or feet	Year		

Comments: no planned construction

# Nebraska State Fire Marshal

## Unit Inspection: Records and Field Facilities

Code reference	S – Satisfactory	U – Unsatisfactory	NA – Not Applicable	NC – Not Checked	S	U	NA	NC
<b>OPERATIONS and MAINTENANCE RECORDS</b>								
191.11		Annual Report ( <b>Form 7100.1-1</b> )	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
191.17		Annual Report – transmission lines ( <b>Form 7100.2-1</b> )	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
.16		Customer Notification (verification – 90 days – and elements)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
.517	(a)	Pressure Testing (operates at or above 100 psig) – useful life of pipeline	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
	(b)	Pressure Testing (operates below 100 psig, service lines, PE) – 5 years	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
.603(b)		.605(a) Procedural Manual Review – O & M (1 per yr/15 months)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
		.605(c) Abnormal Operations – transmission lines	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
		.605(b)(3) System Maps	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
.709		.609 Class Location Study (If Applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
		.614 Damage Prevention (miscellaneous)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
.603(b)		.615(c) Liaison Program with Public Officials	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
		.616 Public Education	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
.709		.619 Maximum Allowable Operating Pressure ( <b>MAOP</b> )	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
		.625 Odorization of Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
		.705 Patrolling (Refer to Table Below)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
.603(b)		.721(b)(1) Patrolling Business District (4 per yr/4½ months)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
.603(b)		.721(b)(2) Patrolling Outside Business District (2 per yr/7½ months)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

Class Location	At Highway and Railroad Crossings	At All Other Places
1 and 2	2/yr (7½ months)	1/yr (15 months)
3	4/yr (4½ months)	2/yr (7½ months)
4	4/yr (4½ months)	4/yr (4½ months)

.603(b)		.723(b)(1) Leakage Survey – business District (1 per yr/15 months)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		.723(b)(2) Leakage Survey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		▪ Outside Business District (5 years)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		▪ Cathodically unprotected distribution lines (3 years)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		▪ Bare unprotected steel under hard surface (annual)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
.709		Repair: Pipe ( <b>Pipeline Life</b> ); Other than Pipe (5 years)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
.603b/.727g	.727	Abandoned Pipelines; Underwater Facility Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
.603(b)/.70		.739 Pressure Limiting and Regulating Stations (1 per yr/15 months)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		.743 Pressure Limiting and Regulator Stations / Capacity review (1 per yr/15 months)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
.709	.745	Valve Maintenance Transmission Lines (1 per yr/15 months)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
.603(b)	.747	Valve Maintenance Distribution Lines (1 per yr/15 months)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
.603(b)/.70	.749	Vault Maintenance (≥200 cubic feet)(1 per yr/15 months)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
.603(b)		.755 Caulked Bell and Spigot Joint Repair	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		.225(b) Welding – Procedure	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		.227/.229 Welding – Welder Qualification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		.243(b)(2) NDT – NDT Personnel Qualification	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
.709	.243(f)	NDT Records ( <b>Pipeline Life</b> )	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comments: Odorant only checked at power plant, valve inspection not performed in 2008.

Nebraska State Fire Marshal  
Unit Inspection: Records and Field Facilities

Code reference		S – Satisfactory	U – Unsatisfactory	NA – Not Applicable	NC – Not Checked	S	U	NA	NC
<b>CORROSION CONTROL RECORDS</b>						<b>S</b>	<b>U</b>	<b>NA</b>	<b>NC</b>
.491	.491(a)	Maps or Records	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
	.459	Examination of Buried Pipe when Exposed	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
	.465(a)	Annual Pipe-to-soil Monitoring ( <b>1 per yr/15 months</b> )	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
	.465(b)	Rectifier Monitoring ( <b>6 per yr/2½ months</b> )	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
	.465(c)	Interference Bond Monitoring – <b>Critical (6 per yr/2½ months)</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
		Interference Bond Monitoring – <b>Noncritical (1 per yr/15 months)</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
	.465(d)	Prompt Remedial Actions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
	.465(e)	Unprotected Pipeline Surveys, CP active corrosion areas ( <b>1 per 3 cal yr/39 months</b> )	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
	.467	Electrical Isolation ( <b>Including Casings</b> )	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
	.471	Test Lead Maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
	.473	Interference Currents	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
	.475(a)	Internal Corrosion; Corrosive Gas Investigation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
	.475(b)	Internal Corrosion; Internal Surface Inspection; Pipe Replacement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
	.477	Internal Corrosion Control Coupon Monitoring ( <b>2 per yr/7½ months</b> )	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
	.481	Atmospheric Corrosion Control Monitoring ( <b>1 per 3 cal yr/39 months onshore</b> )	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
	.483	Remedial Measures: Replaced or repaired pipe; coated and protected	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
.485	Transmission Remedial Measures: Corrosion evaluation and actions	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>				

Comments: records are not complete for buried pipe examination for 2008 and 2009, Indications of examination for internal corrosion not completed for all pipe removed in 2008 & 2009.

		<b>PIPELINE INSPECTION (Field)</b>	S	U	N/A	N/C
.179		Valve Protection from Tampering or Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
.463		Cathodic Protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
.465		Rectifiers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
.479		Pipeline Components Exposed to the Atmosphere	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
.605		Knowledge of Operating Personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
.612(b)		Water Crossings ( <b>If Applicable</b> )	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
.707		ROW Markers, Road and Railroad Crossings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
.719		Pre-pressure Tested Pipe ( <b>Markings and Inventory</b> )	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
.739		Pressure Limiting and Regulating Devices ( <b>Mechanical</b> )	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
.743		Pressure Limiting and Regulating Devices ( <b>Capacities</b> )	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
.745		Valve Maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
.751		Warning Signs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
.801-809		Operator Qualification Questions – See Attachment 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Comments: field facilities and OQ inspection will be performed later this year.

# STATE OF NEBRASKA



Dave Heineman  
Governor

## Notice of Probable Violation



STATE FIRE MARSHAL  
John Falgione  
Fire Marshal

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

May 14, 2010

Mr. Frank Fendrick  
Gas System Superintendent  
Pender Utilities  
Box S  
Pender, NE 68047

RE: Records Inspection – 20100514-N

On May 12 & 13, 2010, Pursuant to the Nebraska Natural Gas Pipeline Safety Act of 1969, a representative of the Nebraska State Fire Marshal's Office Pipeline Safety section conducted an inspection of gas system records in Pender. As a result of this inspection it appears that you have committed probable violations of Title 155 Nebraska Administrative Code Chapter 1.001 adopting by reference Pipeline Safety Regulations Title 49, Code of Federal Regulations, Part 191, 192, 199, & 40.

The following details the specific findings of the inspection as they relate to the probable violations. The items in blue are the Part 192 reference and following in black is our finding.

**§192.747 Valve maintenance: Distribution systems.**

(a) Each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once each calendar year...

There is no evidence found that valves designated Emergency Valves were checked in the year 2008.

**§192.459 External corrosion control: Examination of buried pipeline when exposed.**

Whenever an operator has knowledge that any portion of a buried pipeline is exposed, the exposed portion must be examined for evidence of external corrosion...

In the years 2008 and 2009 not all the records of projects documenting the exposure of buried pipe record the condition of the pipe coating and the presence or not of external corrosion.

□ MAIN OFFICE  
□ DISTRICT A  
246 South 14<sup>th</sup> Street  
Lincoln, NE 68508-1804  
(402) 471-2027

□ DISTRICT B  
438 West Market  
Albion, NE 68620-1241  
(402) 395-2164

□ DISTRICT C  
200 South Silber  
North Platte, NE 69101-3200  
(308) 535-8181

■ FUELS DIVISION  
□ FLST ■ PIPELINE  
246 South 14<sup>th</sup> Street  
Lincoln, NE 68508-1804  
(402) 471-2027

□ TRAINING DIVISION  
2410 North Wheeler Avenue  
Suite 112  
Grand Island, NE 68801-2358  
(308) 385-6892

**§192.475 Internal corrosion control: General...**

(b) Whenever any pipe is removed from a pipeline for any reason, the internal surface must be inspected for evidence of corrosion...

For the years 2008 and 2009 there are records of pipe being removed from the gas distribution system with no corresponding records of inspections of those removed segments of gas pipe for internal corrosion.

**§192.605 Procedural manual for operations, maintenance, and emergencies**

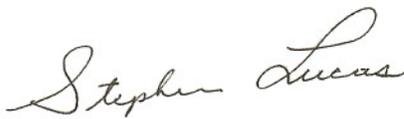
(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response...

Pender Utilities has not followed its Procedures manual for the location of the testing of odorant levels in the natural gas distribution system. Odorant levels have only been tested at the Power Plant for the period from October 2009 till May 2010. Pender Utilities Operations and Maintenance Manual 9.1 ODORIZATION (General) says, "To assure that all gas in distribution mains and service lines is odorized, periodic instrument checks will be made at system extremities." Division 9.2 TESTING OF ODORANT LEVEL says, "In addition to testing for odorant injection rate, the utility will perform at least quarterly or when deemed necessary instrument testing; including tests at the outer extremities of the pipeline system, to verify that the odor is distinctive at 1/5 the lower explosive limit. The utility will maintain records of injection rate and odor sampling for a minimum of five years. The test sites used are as follows Power Plant at DRS, Wastewater Treatment Plant also at the Booster Station by water reservoirs." Odorant Testing done by Pender Utilities should demonstrate that all the gas delivered by Pender Utilities is odorized.

Whenever the State Fire Marshal has reason to believe any person is violating any provision of subsection (1) of section 81-545 of the Nebraska Natural Gas Pipeline Safety Act of 1969 or any regulation under the Nebraska Natural Gas Pipeline Safety Act of 1969, the State Fire Marshal may request the Attorney General of Nebraska to bring an action under section 81-547 of the Nebraska Natural Gas Pipeline Safety Act of 1969 in the district court of the county in which the defendant's principal place of business is located. The district court may impose a civil penalty not to exceed ten thousand dollars for each violation for each day that such violation persists, except that the maximum civil penalty shall not exceed five hundred thousand dollars for any related series of violations. The district court shall have jurisdiction to restrain violations of the Nebraska Natural Gas Pipeline Safety Act of 1969 including the restraint of transportation of gas or the operation of a pipeline facility

**We request that Pender Utilities respond within 30 days of receipt of this letter and reference 20100514-N on the return correspondence to our office.** The response may accept the findings and state a plan of action to address the concerns or, the response may disagree with the findings. If Pender Utilities chooses to disagree with the findings, please justify your position in the response.

If you have any questions regarding the substance or propriety of this notice, please contact our office at, Nebraska State Fire Marshal, Pipeline Safety, 246 South 14<sup>th</sup> Street, Lincoln, NE 68508-1804 or telephone 402-471-9465.



Stephen Lucas  
Deputy State Fire Marshal  
Pipeline Safety Section  
402-720-1103



Clark Conklin  
Chief Deputy Fire Marshal  
Fuels Safety Division  
402-471-9467

Village of Pender  
Box 549  
Pender, NE 68047

Received on:

JUN 16 2010

NE State Fire Marshal

State Fire Marshall Office  
246 South 14<sup>th</sup> Street  
Lincoln, NE 69508-1804

RE: Annual Records Inspection

Dear Stephen Lucas:

192.747 Valve maintenance: Distribution system.

In reviewing our records the year of 2008 were either not recorded or where not turned although they were turned in 2009 and all found in working order, will be more prudent in following our maintenance schedule in the future.

192.459 External corrosion control: Examination of buried pipeline when exposed.

In the future the operator will be more prudent in documenting external corrosion on exposed pipe , we have a form in which is descriptive of this procedure but was not using this form , but will use in future.

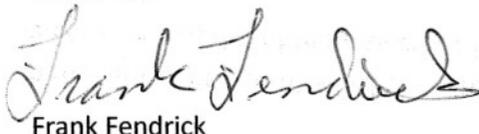
192.475 Internal corrosion: General

In the future the operator will be more prudent in documenting internal corrosion on segments which have be removed, we have form in which this is included but was not using this form but will use in future.

192.605 Procedure manual for operation, maintenance and emergencies (a)

Operator did not forget to take Ordorant readings but did not follow O&M Manual in testing at system extremities, operator will test sites in the future which are in our O&M Manual .

Thank You



Frank Fendrick

Utilities Supt.

**NEBRASKA STATE FIRE MARSHAL - PIPELINE SAFETY SECTION  
FOLLOW-UP INSPECTION:**

<b>Name of Operator:</b>	Pender Utilities	<b>Unit</b> HQ	<b>Town ID</b> 19-00-000
<b>Operator Address:</b> Village of Pender Box S Pender, NE 68047		<b>Phone Number:</b> (402) 385-3232 Emergency: 911 or (385-3018)	
<b>Persons Interviewed</b>	<b>Title</b>		<b>Phone No.</b>
Frank Fendrick	Utilities Superintendent		(402) 385-3121
Shawn Balhak			(402) 385-3121
<b>Person conducting Inspection</b> Stephen Lucas DSFM 8715		<b>Date:</b> February 15, 2012	
<b>Description:</b>			
<b>Issue:</b> Corrosion Control Code 192.459 <b>Date of Letter:</b> 05-14-10 <b>Type:</b> NOPV <b>Disposition:</b> Closed			
<b>Issue:</b> Corrosion Control Code 192.475 <b>Date of Letter:</b> 05-14-10 <b>Type:</b> NOPV <b>Disposition:</b> Closed			
<b>Issue:</b> Procedure Manual Code 192.605 <b>Date of Letter:</b> 05-14-10 <b>Type:</b> NOPV <b>Disposition:</b> Closed			
<b>Issue:</b> Emergency Valve Code 192.747 <b>Date of Letter:</b> 05-14-10 <b>Type:</b> NOPV <b>Disposition:</b> Closed			
<b>Portion of Unit Inspected:</b> Records of Valve inspection, Buried Pipe inspection reports, and Odorant Check records.			

Buried pipe inspection reports indicate examinations of exposed buried pipe for condition of coating and presence of rust. Pipe removed from system is examined for internal corrosion.

Odorant records indicat checks for detectibility of natual gas at 20% of lower explosive limit being performed to assure odorized gas in entire system.

Records of Valve inspections indicate all valves have been exercised annualy since 2009.

# STATE OF NEBRASKA



## Letter of Approval

Dave Heineman  
Governor

STATE FIRE MARSHAL  
John Falgione  
Fire Marshal

### CERTIFIED MAIL – RETURN RECEIPT REQUESTED

February 24, 2012

Mr. Frank Fendrick  
Utilities Superintendent  
Pender Utilities  
Box S  
Pender, NE 68047

RE: May 14, 2010 Notice of Probable Violation

Thank you for your June 14, 2010 response to our letter of concern. A follow up inspection was conducted by this office on February 15, 2012 and the following issues are considered resolved.

- §192.459 External corrosion control: Examination of buried pipeline when exposed.
- §192.475 Internal corrosion control: General
- §192.605 Procedural manual for operations, maintenance, and emergencies
- §192.747 Valve maintenance: Distribution systems.

If you have any questions regarding the substance or propriety of this notice, please contact our office at, Nebraska State Fire Marshal, Pipeline Safety, 246 South 14<sup>th</sup> Street, Lincoln, NE 68508-1804 or telephone 402-471-9664.

Stephen Lucas, Deputy  
Fuels Division, Pipeline Section  
Nebraska State Fire Marshal

Clark Conklin, Chief Deputy  
Fuels Division  
Nebraska State Fire Marshal

□ MAIN OFFICE  
□ DISTRICT A  
246 South 14<sup>th</sup> Street  
Lincoln, NE 68508-1804  
(402) 471-2027

□ DISTRICT B  
438 West Market  
Albion, NE 68620-1241  
(402) 395-2164

□ DISTRICT C  
200 South Silber  
North Platte, NE 69101-4219  
(308) 535-8181

■ FUELS DIVISION  
□ FLST ■ Pipeline  
246 South 14<sup>th</sup> Street  
Lincoln, NE 68508-1804  
(402) 471-9465

□ TRAINING DIVISION  
2410 North Wheeler Avenue  
Suite 112  
Grand Island, NE 68801-2376  
(308) 385-6892