

Supplemental Report

NEBRASKA STATE FIRE MARSHAL - PIPELINE SAFETY DIVISION

Company: Metropolitan Utilities District (MUD) Date: Apr. 6, Nov. 26, 2012
Town: Elkhorn SFM ID#: 15-01-090
Operator Type: Municipal Natural Gas Distribution
Manager: Doug Clark Phone: (402) 504-7110

Persons Mentioned In Report:

Cory O'Brien	MUD Construction Superintendent	(402) 504-0348
Jeff Loll	MUD Director Engineering Design	(402) 504-7903
Nick Crampton	MUD Construction Pipe Layer	
Tom Middleton	MUD Construction Pipe Layer Welder	
Dennis Madsen	MUD Construction Training Foreman	
Mike Sedlacek	MUD Construction Crew Leader	
Jerry Seffron	MUD Construction	
Michael Conrad	MUD Claims Adjuster	(402) 504-0777

Body of Report:

On April 6, 2012 at 1045 hours I met with Cory O'BRIEN, Dennis MADSEN, Mike SEDLACEK, Tom MIDDLETON, and Nick CRAMPTON in the MUD Construction Training Area. O'BRIEN related how the day before SEDLACEK, MIDDLETON, and CRAMPTON had been performing a stopping operation on a 4 inch iron pipe size (IPS) steel main operating at 60 pound per square inch gage (psig). O'BRIEN said as the stopping operation was being finished and the slide valve was being removed from the nipple that was welded to the main, the completion plug came out of the nipple and flew approximately 228 feet south of the excavation site. O'BRIEN said Jerry SEFFRON standing outside the excavation on the south side was not struck by the completion plug but did sustain a head injury, was transported to the hospital, and kept overnight for observation. O'BRIEN said SEFFRON had the day off which is why he was not present at the April 6, 2012 interview. O'BRIEN said after the gas main was shut down a new completion plug was threaded into the nipple welded on the main without any re tapping

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or chasing of the threads in the nipple. I observed that the completion plug presented to me as the completion plug that failed had its threads intact and there was no appearance of cross threading, missing threads, or any other damage to the completion plug. O'BRIEN said that earlier that morning under his and MADSEN's observation SEDLACEK, MIDDLETON, and CRAMPTON reviewed the stopping operation and the Mueller D-4 machine that was involved in the failure. This review did not shed any light on the failure of the completion plug to seat.

I received copies of the qualification documentation for MADSEN, WHITBECK, SEDLACEK, MIDDLETON, SEFFRON, and CRAMPTON. The covered task was OQ-17 "Tapping and Stopping Under Pressure". This covered task is classified as repeated monthly, has a high level of safety risk, and is moderately difficult. The reevaluation interval for this covered task is set at three years. The Operator Qualification documentation indicated that MADSEN, WHITBECK, SEDLACEK, MIDDLETON, and SEFFRON were qualified at the time of the incident. CRAMPTON was not qualified at the time of the incident but was under the span of control of MIDDLETON.

On April 6, 2012 Michael CONRAD filed a written incident report identifying the cause of the incident as "Mechanical Failure".

On November 8, 2012 I met with Jeff LOLL and discussed the incident report and I expressed my concern at the appropriateness of identifying the cause of failure as "Mechanical Failure" when there appeared to have been no damage to the threads of

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the completion plug, the welded on nipple, the Mueller Company examination of the equipment involved did not lead them to state the equipment was the cause, and MUD's investigation had not produced evidence supporting that conclusion.

On November 14, 2012 I met with CONRAD who supplied me with a November 12, 2012 report from O'BRIEN titled "Update on Elkhorn Completion Plug Incident" and a dimensional analysis report of the components involved in the incident from Engineering Systems Inc. (ESI). I voiced my concern to CONRAD of the appropriateness of identifying the cause of failure as "Mechanical Failure" when there appeared to have been no damage to the threads of the completion plug, the welded on nipple, and the Mueller Company examination of the equipment involved did not lead them to state the equipment was the cause. CONRAD agreed to submit a supplemental and final incident report considering the November 12, 2012 report from O'BRIEN titled "Update on Elkhorn Completion Plug Incident" and a dimensional analysis report of the components involved in the incident from Engineering Systems Inc. (ESI)

Conclusion:

MUD is unsure at this time as to the cause of the incident. MUD is implementing the following changes to their system

- MUD is in the process of forming a tapping and stopping crew. Members of this crew would be the only personnel performing tap and stop procedures for taps larger than 2". This crew would train regularly and be involved with equipment and material inspections and maintenance.

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- Until this new crew is formed and trained, all taps and stops larger than 2" are being performed only by experienced and qualified employees who have Significant hands-on experience with this type of work.
- Representatives from Mueller were brought in to look over our tapping and stopping equipment. They made recommendations concerning replacement of some older tapping machines. As a result Stores immediately ordered several new machines and requested additional replacement machines as part of the 2013 budget.
- Additional refresher training sessions have been held for all Construction field employees on 2" and smaller tapping and stopping equipment. Additional refresher sessions are being planned to cover specific tapping and stopping machines and equipment.
- Construction and Stores divisions are working together to inventory and update as needed all tapping and stopping equipment.

The Nebraska State Fire Marshal will continue to monitor MUD's activities in these areas through the changes to the Construction Manual Procedures, equipment updates, and Operator Qualification Procedures.

End of Report.

DSFM 8715 Stephen Lucas

STATE OF NEBRASKA



Notice of Probable Violation

Dave Heineman
Governor

STATE FIRE MARSHAL
John Falgione
Fire Marshal

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

April 11, 2012

Jeffrey G. Loll P.E.
Director of Engineering Design
Metropolitan Utilities District
3100 South 61st Avenue
Omaha, NE 68106-3621

RE: Incident Investigation

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 investigation of the Metropolitan Utilities District response to the April 5, 2012 incident near the intersection of Skyline Drive and Veterans Drive in Omaha. As a result of this investigation it appears that you have committed a probable violation 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 investigation as they relate to the probable violation. Item in blue is the Part 192 reference followed in black by our finding.

§ 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...

On April 5, 2012 at the conclusion of a line stopping operation, the completion plug for an H-17190 nipple type line stop fitting failed to remain inserted in the nipple and the resulting gas release caused a Metropolitan Utilities District employee to be hospitalized overnight. It appears that Metropolitan Utilities

□ MAIN OFFICE
□ DISTRICT A
246 South 14th 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 14th Street
Lincoln, NE 68508-1804
(402) 471-9465

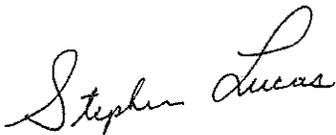
□ TRAINING DIVISION
2410 North Wheeler Avenue
Suite 112
Grand Island, NE 68801-2376
(308) 385-6892

District failed to follow *Metropolitan Utilities District O & M Procedure, Reporting Procedure No. 605 section I C State Fire Marshal Contact Procedure* and did not report a gas leak with a personal injury requiring hospitalization to the State Fire Marshal within two hours or as soon as practical.

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 Metropolitan Utilities District respond to, within 30 days of receipt of, this letter and reference #20120411-N on the return correspondence to our office. The response may accept the finding and state a plan of action to address the finding or, the response may disagree with the finding. If Metropolitan Utilities District chooses to disagree with the finding, 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 14th Street, Lincoln, NE 68508-1804 or telephone 402-471-9664.



Stephen Lucas
Deputy Fire Marshal
Fuels Division, Pipeline Section



Clark Conklin
Chief Deputy Fire Marshal
Fuels Division

cc: Ron Reisner
Vice President, Engineering and Construction
Metropolitan Utilities District
3100 South 61st Avenue
Omaha, NE 68106-3621



METROPOLITAN
UTILITIES DISTRICT



Received on:

MAY 04, 2012

NE State Fire Marshal

May 1, 2012

Mr. Stephen Lucas,
Deputy State Fire Marshal
246 South 14th Street
Lincoln, NE 68508-1804

Reference # 20120411-N

Mr. Lucas,

I am responding to your April 11, 2012, letter concerning Notice of Probable Violation, which was received in MUD Engineering on April 12th, 2012. The letter concerns findings by the State Fire Marshal's office related to the prompt Notification of the State Fire Marshal's Office. The probable violation is as follows:

§ 192.605 Procedure 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...**

On April 5, 2012, at the conclusion of a line stopping operation, the completion plug for an H-17190 nipple type line stop fitting failed to remain inserted in the nipple and the resulting gas release caused a Metropolitan Utilities District employee to be hospitalized overnight. It appears that Metropolitan Utilities District failed to follow *Metropolitan Utilities District O & M Procedure, Reporting Procedure No. 605 section I, C, State Fire Marshal Contact Procedure* and did not report a gas leak with a personal injury requiring hospitalization to the State Fire Marshal within two hours or as soon as practical.

DISTRICT REVIEW

The District Reporting procedure states that,

“A. A Reportable Incident is any one of the following events:

- * 1. An event that involves a release of natural gas from a pipeline ..., **AND** results in one or more of the following: (1) a death, or personal injury necessitating in-patient hospitalization”...

OR “3. An event that is considered significant, in the judgment of the operator, even though it did not meet previous criteria of this definition. “

The District Dispatcher did know after 2 PM on the afternoon of April 5th that an accident had occurred in the field and that employees would be sent to the hospital for treatment. A key word to consider here is “in-patient hospitalization”. This means that the person is actually being admitted to the hospital, which was not known until about 5:20 PM.

At that point notification of the State Fire Marshal would be needed by definition due to the hospitalization. The hospitalization does not seem like the issue. As he returned from Grand Island, Deputy Fire Marshal Lucas called the Dispatcher at 5:29 PM. The event was explained to him and therefore notification took place.

The need to notify the Fire Marshal in this case comes down to the judgment of the operator that the event was significant. The fact that the media was involved can be judged to mean that this was a significant event. Field personnel determined that the media were involved about 2:45 PM. The dispatcher did follow the procedure to call individuals as prescribed, however the Dispatcher did not make the association that this was a significant event. Therefore the Dispatcher did not notify the Fire Marshal as needed.

There were also some misconceptions in the field regarding the Fire Marshal notification. The technician in the field was under the impression that the Fire Marshal had already been contacted by the Superintendent of Gas Distribution, who was on the scene. With that being said, he did not mention to the Dispatcher the need to notify the Fire Marshal.

Sometime prior to 4 PM, Linda Hernandez, who supervises the Dispatchers, returned to the office and asked if the calling tree had been carried out. The Dispatcher replied that it had. Ms. Hernandez intention was to find out if the prescribed calls, including the call to the Fire Marshal’s office had been made. The Dispatcher did not intend to say that the calls that were made included one to the Fire Marshal’s office.

CONCLUSION

The District does agree that notification was appropriate in this case and the information that was in the possession of the field technician about 2:45 PM constituted discovery by the District. The District should have called in within two hours of that time. It is also determined that in this case it was practicable to carry out that notification within 2 hours.

CORRECTIVE ACTION

The Superintendent of Field Services has reviewed this event with his field representatives and his dispatchers. He described in detail why the event required notification, what the steps were that should have effected that notification and who should have acted and when, in order that the notification would take place.

The Superintendent has made it a point of emphasis with all the dispatchers that significant consideration of the criteria in Reporting Procedure 605 in the O&M manual

and the proper response in accordance with that procedure are absolutely required. He has also included this information in all meetings with the technicians following this incident.

The District feels that every Dispatcher has now been refreshed as to the considerations of this event and of what the District's expectations are in order to respond to future events of a similar nature.

Sincerely,



Jeff Loll, Director,
Engineering Design

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

Name of Operator:	Metropolitan Utilities District	Unit # 15-01-000	Site HQ
Operator Address: 3100 South 61st Avenue Omaha, NE 68106-3621		Phone Number: (402) 504-7903 Fax Number: Emergency: (402) 554-7777 Federal ID: 12390	
Persons Interviewed	Title	Phone No.	
Linda Hernandez	Field Services Dispatch Supervisor	(402) 504-7740	
Shelly Hansen	Field Services Dispatcher	(402) 504-7970	
Jean Kaiser	Field Services Dispatcher	(402) 504-7970	
Edward Buglewicz	Field Services Superintendent	(402) 504-7931	
Persons conducting Inspection: Stephen Lucas DSFM 8715			Date: 07-02 & 08-2013
Description: Code 192.605 Date of Letter: 04-11-12 Type: NOPV Disposition: Closed			
Portion of Unit Inspected : Field Services Dispatch Center			

Comments:

I observed the activities of Shelly HANSEN, Jean KAISER, and the Linda HERNANDEZ during the period of shift change from first to second shift. I observed HANSEN, KAISER, and HERNANDEZ performing activity of monitoring field services technicians and taking outside calls. I interviewed two dispatchers and the dispatch supervisor finding them to be methodical and diligent in the performance of their tasks. In this process I found that the dispatchers are notified by the field services technician in the field if the notification process needs to be implemented. I interviewed the Edward BUGLEWICZ and BUGLEWICZ confirmed that the personnel in the field were responsible for telling the Field Services Dispatchers to initiate the notification process. The BUGLEWICZ supplied me with agendas of tailgate meetings which included directions to field personnel to inform Field Service Dispatchers in the event the notification process needed to be initiated.

End Of Report

STATE OF NEBRASKA



Letter of Approval

Dave Heineman
Governor

Jim Heine
Fire Marshal

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

July 10, 2013

Denise Dolezal
Senior Design Engineer - Compliance
Metropolitan Utilities District
3100 South 61st Avenue
Omaha, NE 68106-3621

Subject: April 11, 2012 Notice of Probable Violation – #20120411-N

Thank you for your May 1, 2012 response to our Notice of Probable Violation. A follow up inspection pertaining to this issue was conducted by this office on July 2, 2013 and the following Notice of Probable Violation is considered resolved.

§192.605 Procedural manual for operations, maintenance, and emergencies

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 14th Street, Lincoln, NE 68508-1804 or telephone 402-471-9465.

Handwritten signature of Stephen Lucas in cursive.

Stephen Lucas
Deputy Fire Marshal
Fuels Division, Pipeline Section

Handwritten signature of Clark Conklin in cursive.

Clark Conklin
Chief Deputy Fire Marshal
Fuels Division

cc: Jeff Schovanec
Director of Engineering Design
Metropolitan Utilities District
3100 South 61st Avenue
Omaha, NE 68106-3621

MAIN OFFICE
 DISTRICT A
246 South 14th Street
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