

**OPERATOR INSPECTION-SPECIFIC INFORMATION**

<b>Inspection Date(s):</b>	January 9, 10, 12,& 19, February 16 & 24 March 21 & 22, 2012		
<b>Name of Operator:</b>	Metropolitan Utilities District (MUD)		
<b>OPS Operator ID:</b>	12390		
<b>State/Other ID:</b>	15-00-000		
<b>H.Q. Address:</b> 1723 Harney St. Omaha, NE 68102-1960	<b>Company Officer:</b>	Doug Clark	
	<b>Title:</b>	President	
	<b>Phone Number:</b>	(402) 504-7110	
	<b>Fax Number:</b>		
<b>Web Site:</b>	http://www.mudomaha.com/	<b>Email Address:</b>	
<b>Employees Covered by OQ Plan:</b>	336		
<b>Contractors Covered by OQ Plan:</b>	0		
<b>Total Mileage Represented:</b>	2752		

Persons Interviewed	Title	Phone Number	Email Address
Cory O'Brien	Construction Superintendent	(402) 504-7790	
Jeff Loll	Design Engineering Director	(402) 504-7903	
Tom Macdissi	Gas Production and Distribution Superintendent	(402) 504-7894	
Andy Melville	Gas Production Supervisor	(402) 504-7353	
Keith Stubbe	Transportation Foreman	(402) 504-7866	
Nancy Parker	Meter Reading Supervisor	(402) 504-7780	
Bernard Kiscoan	Measurement Supervisor	(402) 504-7831	
Stephanie Henn	Plant Engineering Director	(402) 504-7902	
Linda Woodring	Energy Acquisition Director	(402) 504-7798	
Dennis Madson	Construction Training Foreman		
Gregg Wooster	Field Services Training Foreman	(402) 504-0880	
Dave Stroebele	Field Engineering Supervisor	(402) 504-7783	
Susan Grant	Corrosion Engineer	(402) 504-7729	
Ron Mikulicz	Gas Production Training Forman	(402) 504-7353	

To add rows, press TAB with cursor in last cell.

OPS/State Representatives	Region/State
Stephen Lucas	NE
Arnie Bates	NE
Clark Conklin	NE
Warren Miller	Central

To add rows, press TAB with cursor in last cell.

**Remarks:**

**Mileage Covered by OQ Plan (by Company and State)**

List each company and subsidiary separately, broken down by state (using 2-letter designation). If a company has intrastate and/or interstate mileage in several states, use one row per state. If there are both gas and liquid lines, use both the first and second table. For small gas operators (e.g. master meter, LP), use the third table.

**Jurisdictional to Part 192 (Gas) Mileage**

Company (Gas Operator)	Operator ID	State	Interstate Gathering	Intrastate Gathering	Interstate Transmission	Intrastate Transmission	Interstate Distribution*	Intrastate Distribution*	Remarks

(To add rows, press TAB with cursor in last cell.)

**Jurisdictional to Part 195 (Hazardous Liquid) Mileage**

Company (Liquid Operator)	Operator ID	State	Interstate Transmission	Intrastate Transmission	Remarks

(To add rows, press TAB with cursor in last cell.)

**Jurisdictional to Part 192 (Gas) Mileage – Small Operators**

Company (Small Gas Operator)	Operator ID	State	Small Gas (e.g., master meter)*	LP*	Remarks

(To add rows, press TAB with cursor in last cell.)

1. Supply company name and Operator ID, if not the master operator from the first page (i.e., for subsidiary companies).
2. Use OPS-assigned Operator ID. Where not applicable, leave blank or enter n/a.
3. Use only 2-letter state codes in column #3, e.g., TX for Texas.
4. Enter number of applicable miles in all other columns. (Only positive values. No need to enter 0 or n/a.)
5. \* Please do not include Service Line footage. This should only be MAINS.

**1 - Document Program Plan, Implementing Procedures and Qualification Criteria**

**1.01 Application and Customization of “Off-the-Shelf” Programs**

Does the operator’s plan identify covered tasks and does it specify task-specific reevaluation intervals for individuals performing covered tasks? (Associated Protocols: 1.05, 2.01, 5.02)

<input checked="" type="checkbox"/> No Issues Identified	Inspection Notes: MUD prepared their own OQ plan.
<input type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

**1.02 Contractor Qualification**

Does the operator employ contractor organizations to provide individuals to perform covered tasks? If so, what are the methods used to qualify these individuals and how does the operator ensure that contractor individuals are qualified in accordance with the operator’s OQ program plan?

\* Verify that the operator’s written program includes provisions that require all contractor and subcontractor individuals be evaluated and qualified prior to performing covered tasks, unless the covered task is performed by a non-qualified individual under the direction and observation of a qualified individual. (Associated Protocols: 1.05, 2.02, 3.02)

<input checked="" type="checkbox"/> No Issues Identified	Inspection Notes: no contractors employed at present time
<input type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

**1.03 Management of Other Entities Performing Covered Tasks**

Has the operator’s OQ program included provisions that require individuals from any other entity performing covered task(s) on behalf of the operator (e.g., through mutual assistance agreements) be evaluated and qualified prior to task performance?

\* Verify that other entities that perform covered task(s) on behalf of the operator are addressed under the operator’s OQ program and that individuals from such other entities performing covered tasks on behalf of the operator are evaluated and qualified consistent with the operator’s program requirements. (Associated Protocols: 1.05, 2.02)

<input checked="" type="checkbox"/> No Issues Identified	Inspection Notes:
<input type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

**1.04 Training Requirements (Initial Qualification, Remedial if Initial Failure, and Reevaluation)**

Does the operator's OQ program plan contain policy and criteria for the use of training in initial qualification of individuals performing covered tasks, and are criteria in existence for re-training and reevaluation of individuals if qualifications are questioned? **(Associated Protocols: 5.02)**

<input type="checkbox"/> No Issues Identified	Inspection Notes: The OQ plan has not been updated since October 23, 2003 and does not address this issue.
<input checked="" type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

**1.05 Written Qualification Program**

Did the operator meet the OQ Rule requirements for establishing a written operator qualification program and completing qualification of individuals performing covered tasks?

- \* Verify that the operator's written qualification program was established by April 27, 2001.
- \* Verify that the written qualification program identified all covered tasks for the operator's operations and maintenance functions being conducted as of October 28, 2002.
- \* Verify that the written qualification program established an evaluation method(s) to be used in the initial qualification of individuals performing covered tasks as of October 28, 2002.
- \* Verify that all individuals performing covered tasks as of October 28, 2002, and not otherwise directed or observed by a qualified individual were qualified in accordance with the operator's written qualification program. **(Associated Protocols: 3.01, 7.01)**

<input checked="" type="checkbox"/> No Issues Identified	Inspection Notes:
<input type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

## 2 - Identify Covered Tasks and Related Evaluation Methods

### 2.01 Development of Covered Task List

How did the operator develop its covered task list?

\* Verify that the operator applied the four-part test to determine whether 49 CFR Part 192 or 49 CFR Part 195 O&M activities applicable to the operator are covered tasks.

\* Verify that the operator has identified and documented all applicable covered tasks. (**Associated Protocols: 8.01**)

<input checked="" type="checkbox"/> No Issues Identified	Inspection Notes:
<input type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

### 2.02 Evaluation Method(s) (Demonstration of Knowledge, Skill and Ability) and Relationship to Covered Tasks

Has the operator established and documented the evaluation method(s) appropriate to each covered task?

\* Verify what evaluation method(s) has been established and documented for each covered task.

\* Verify that the operator's evaluation program ensures that individuals can perform assigned covered tasks.

\* Verify that the evaluation method is not limited to observation of on-the-job performance, except with respect to tasks for which OPS has determined that such observation is the best method of examining or testing qualifications. The results of any such observations shall be documented in writing. (**Associated Protocols: 3.01, 3.02**)

<input type="checkbox"/> No Issues Identified	Inspection Notes: Field Services written test is in actuality given orally to a group of employees. Everyone has the opportunity to answer but there is no record of who answers vocally. Everyone turns in a test sheet with the correct answers.
<input checked="" type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

**2.03 Planning for Mergers and Acquisitions (Due Diligence re: Acquiring Qualified Individuals)**

Does the operator have a process for managing qualifications of individuals performing covered tasks during program integration following a merger or acquisition (applicable only to operators engaged in merger and acquisition activities)?

\* Verify that the OQ program describes the process for ensuring OQ qualifications, evaluations, and performance of covered tasks during the merger with or acquisition of other entities. **(Associated Protocols 3.01 3.02)**

<input checked="" type="checkbox"/> No Issues Identified	Inspection Notes:
<input type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

**3 - Identify Individuals Performing Covered Tasks**

**3.01 Development/Documentation of Areas of Qualification for Individuals Performing Covered Tasks**

Does the operator’s program document the evaluation and qualifications of individuals performing covered tasks, and can the qualification of individuals performing covered tasks be verified?

- \* Verify that the operator’s qualification program has documented the evaluation of individuals performing covered tasks.
- \* Verify that the operator’s qualification program has documented the qualifications of individuals performing covered tasks. **(Associated Protocols: 4.02, 7.01)**

<input type="checkbox"/> No Issues Identified	Inspection Notes: In the Divisions of Field Services, Plant Engineering, Meter Shop, and System Control there is no indication of approval or indication of who evaluated written tests through 2011. In the Transportation Division there is no indication of approval or indication of who evaluated written tests through 2011 for covered task OQ-49-97. The Meter Reading Division evaluation of the service valve has no indication that the covered person was qualified. There is no record of oral evaluations given in the Design Engineering Division.
<input checked="" type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

**3.02 Covered Task Performed by Non-Qualified Individual**

Has the operator established provisions to allow non-qualified individuals to perform covered tasks while being directed and observed by a qualified individual, and are there restrictions and limitations placed on such activities?

- \* Verify that the operator's program includes provisions for the performance of a covered task by a non-qualified individual under the direction and observation by a qualified individual. **(Associated Protocols: 2.01, 2.02)**

<input checked="" type="checkbox"/> No Issues Identified	Inspection Notes:
<input type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

**4 - Evaluate and Qualify Individuals Performing Covered Tasks**

**4.01 Role of and Approach to “Work Performance History Review”**

Does the operator use work performance history review as the sole method of qualification for individuals performing covered tasks prior to October 26, 1999, and does the operator's program specify that work performance history review will not be used as the sole method of evaluation for qualification after October 28, 2002?

\* Verify that after October 28, 2002, work performance history is not used as a sole evaluation method.

\* Verify that individuals beginning work on covered tasks after October 26, 1999 have not been qualified using work performance history review as the sole method of evaluation. **(Associated Protocols: 2.02)**

<input checked="" type="checkbox"/> No Issues Identified	Inspection Notes:
<input type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

**4.02 Evaluation of Individual’s Capability to Recognize and React to AOCs**

Are all qualified individuals able to recognize and react to AOCs? Has the operator evaluated and qualified individuals for their capability to recognize and react to AOCs? Are the AOCs identified as those that the individual may reasonably anticipate and appropriately react to during the performance of the covered task? Has the operator established provisions for communicating AOCs for the purpose of qualifying individuals?

\* Verify that individuals performing covered tasks have been qualified in recognizing and reacting to AOCs they may encounter in performing such tasks. **(Associated Protocols 3.01)**

<input type="checkbox"/> No Issues Identified	Inspection Notes: In the Divisions of Field Services, Plant Engineering, Meter Shop, and System Control there is no indication of approval or indication of who evaluated written tests through 2011. In the Transportation Division there is no indication of approval or indication of who evaluated written tests through 2011 for covered task OQ-49-97. The Meter Reading Division evaluation of the service valve has no indication that the covered person was qualified. There is no record of oral evaluations given in the Design Engineering Division.
<input checked="" type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

## 5 - Continued/Periodic Evaluation of Individuals Performing Covered Tasks

### 5.01 Personnel Performance Monitoring

Does the operator's program include provisions to evaluate an individual if the operator has reason to believe the individual is no longer qualified to perform a covered task based on: covered task performance by an individual contributed to an incident or accident; other factors affecting the performance of covered tasks?

\* Verify that the operator's program ensures re-evaluation of individuals whose performance of a covered task may have contributed to an incident or accident.

\* Verify that the operator has established provisions for determining whether an individual is no longer qualified to perform a covered task, and requires reevaluation.

**(Specific Protocols: 2.02)**

<input checked="" type="checkbox"/> No Issues Identified	Inspection Notes:
<input type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

### 5.02 Reevaluation Interval and Methodology for Determining the Interval

Has the operator established and justified requirements for reevaluation of individuals performing covered tasks?

\* Verify that the operator has established intervals for reevaluating individuals performing covered tasks. **(Associated Protocols: None)**

<input checked="" type="checkbox"/> No Issues Identified	Inspection Notes:
<input type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

**6 - Monitor Program Performance; Seek Improvement Opportunities**

**6.01 Program Performance and Improvement**

Does the operator have provisions to evaluate performance of its OQ program and implement improvements to enhance the effectiveness of its program?

**(Associated Protocols: None)**

<input type="checkbox"/> No Issues Identified	Inspection Notes: The Director of Training & Development and the Standing Committee have not recognized what we perceive as shortfalls in the planning and execution of the Operatory Qualification Plan.
<input checked="" type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

**7 - Maintain Program Records**

**7.01 Qualification “Trail”(i.e., covered task; individual performing; evaluation method(s); continuing performance evaluation; reevaluation interval; reevaluation records)**

Does the operator maintain records in accordance with the requirements of 49 CFR 192, subpart N, and 49 CFR 195, subpart G, for all individuals performing covered tasks, including contractor individuals?

- \* Verify that qualification records for all individuals performing covered tasks include the information identified in the regulations.
- \* Verify that the operator's program ensures the retention of records of prior qualification and records of individuals no longer performing covered tasks for at least five years.
- \* Verify that the operator's program ensures the availability of qualification records of individuals (employees, contractors and third party entities) currently performing covered tasks, or who have previously performed covered tasks. **(Associated Protocols: 1.05, 3.01)**

<input type="checkbox"/> No Issues Identified	Inspection Notes: In the Divisions of Field Services, Plant Engineering, Meter Shop, and System Control there is no indication of approval or indication of who evaluated written tests through 2011. In the Transportation Division there is no indication of approval or indication of who evaluated written tests through 2011 for covered task OQ-49-97. The Meter Reading Division evaluation of the service valve has no indication that the covered person was qualified. There is no record of oral evaluations given in the Design Engineering Division.
<input checked="" type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

**8 - Manage Change**

**8.01 Management of Changes (to Procedures, Tools, Standards, etc.)**

Does the operator's OQ program identify how changes to procedures, tools standards and other elements used by individuals in performing covered tasks are communicated to the individuals, including contractor individuals, and how these changes are implemented in the evaluation method(s)?

- \* Verify that the operator's program identifies changes that affect covered tasks and how those changes are communicated, when appropriate, to affected individuals.
- \* Verify that the operator's program identifies and incorporates changes that affect covered tasks.
- \* Verify that the operator's program includes provisions for the communication of changes (e.g., who, what, when, where, why) in the qualification program to the affected individuals.
- \* Verify that the operator incorporates changes into initial and subsequent evaluations.
- \* Verify that contractors supplying individuals to perform covered tasks for the operator are notified of changes that affect task performance and thereby the qualification of these individuals.

**(Associated Protocols 1.04)**

<input checked="" type="checkbox"/> No Issues Identified	Inspection Notes:
<input type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

**8.02 Notification of Significant Program Changes**

Does the operator have a process for identifying significant OQ written program changes and notifying the appropriate regulatory agency of these changes once the program has been reviewed?

- \* Verify that the operator's written program contains provisions to notify OPS or the appropriate regulatory agency of significant modifications to a program that has been reviewed for compliance.

**(Associated Protocols: None)**

<input type="checkbox"/> No Issues Identified	Inspection Notes: The OQ plan has not been updated since October 23, 2003 and does not address this issue.
<input checked="" type="checkbox"/> Potential Issues Identified (explain)	
<input type="checkbox"/> N/A (explain)	
<input type="checkbox"/> Not Inspected	
Check exactly one box above.	

1. Wholesale changes made to an OQ Plan or Program, whether due to an overall effort to improve program performance, or due to a merger or acquisition that results in incorporating the best features of the competing plans and programs.
2. Recommend the operator send a letter to accompany the program that addresses the changes made to the program. The official notification should be addressed to headquarters.

## Inspection Findings

MUD Field Services Division uses the format of an oral test in a group setting. A written test is presented to groups of covered employees and the evaluator then asks the group the questions in order down the list to the end of the test. When someone answers the question, and it is deemed that everyone understands and marks their test they move on to the next question. This Practice Field services employs to evaluate employees may not be sufficient to determine that the covered employee can perform the covered task or recognize and react to abnormal operating conditions. It may be possible for a covered employee to remain silent, circle the correct letter on the written test sheet, and hand in the sheet to get recorded as qualified. **192.805 (b)** this process may not ensure through evaluation that individuals performing covered tasks are qualified.

MUD Field Services Division, Transportation Division, Meter Reading Division, Meter Shop Division, Plan Engineering Division, and Systems Control Division do not document who evaluated the covered employee on the Evaluation Sheet. **192.807**

MUD Field Services Division, Transportation Division, Meter Reading Division, Meter Shop Division, Plan Engineering Division, and Systems Control Division do not document that the covered employee was qualified on the evaluation sheet. **192.807**

The Meter Shop Division does not have records of qualification between 2005 and 2010 with covered tasks having 1 year evaluation cycles.

MUD Engineering Design Division does not document the oral evaluations. **192.807**

The Director of Training & Development and the Standing Committee did not identify the need to provide training as appropriate, to ensure that individuals performing covered tasks have the necessary knowledge and skills to perform the tasks in a manner that ensures the safe operation of pipeline facilities. **192.805 (h)**

The Director of Training & Development and the Standing Committee did not include provisions in the plan to notify the Nebraska State Fire Marshal Pipeline Safety Section if they significantly modify the program. **192.805 (i)**

## Additional Inspection Notes

The following by Arnie Bates DSFM 8715

### **OQ Program as administered by The Director of Training & Development**

MUD Summary OQ

Terms:

Operator is Metropolitan Utility District

District means Metropolitan Utility District as an operator.

Division or Department is a specific “group” within the District.

Program will refer to Metropolitan Utility District Operator Qualification Plan.

Operators' program required a task force to identify covered tasks performed by personnel. The task force did assemble a District task list. The program states that there are specific requirements for a covered task performed by each Division or Department for the individual job title. While the task "name" may be the same across the District, the actual performance of the task may be 1) similar or 2) of greater depth and detail to the job title.

Operators' program defines initial, subsequent and transitional qualification.

Training is a part of each Division or Department ongoing program for initial, transitional and subsequent qualification process.

Operators' program required a task force to establish a re-qualification time interval for each task.

The task force utilized a "DIF" Difficulty, Importance and Frequency calculation to establish a guideline for task re-qualification time interval. Review of this calculation indicates that in all task(s) the time interval is appropriate. This time interval is a minimum time interval and there is a specific "grace period of 90 days defined within the program. Review of past and current qualification indicates that there was no abuse of this 90 day grace period. Some specific Divisions have "decreased time intervals" because of experience and/or scheduling activities. Since this is a more stringent interval than what would be shown in the task force established time interval, it is acceptable.

From the operators' program: "Evaluation means a documented process, established by the operator to determine an individual's ability to perform a covered task by any of the following: written examination, oral examination, work performance history review, observation during (a) performance on the job, (b) on the job training (c) simulations, or other forms of assessment".

In review of documentation and interview with "trainers" and supervisors there may be cause to question whether the evaluative process determines the individual's ability (Knowledge, skill and ability) of a specific task. "GROUP" evaluation may not determine an individuals' ability.

In review of documentation of evaluation (written and or hand-on), Individual qualification summary, and HR Summary Sheet from the Division(s) it is apparent that additional documentation guidelines should be established so all "Divisions" are documenting the process the same.

The qualification summary sheet contains information required by the operators program, However there

are instances where support of the qualification process is lacking integrity.

§ 192.807 (b) Recordkeeping.

"No" documentation to support qualification.

No validation of evaluation (No score or indicator of pass/fail upon evaluation)

(Lack of evaluator ID upon evaluation document)

§ 192.807(b) Recordkeeping.

Record retention should also be addressed so all "Divisions" are compliant with OQ requirements.

The program so states that "These records will contain information on all qualifications for the last five years and be retained for five years from the last performance of the covered tasks".

This sentence may need to be restated so as to account for the time interval between “qualification”.

The issue appears to be with tasks that have a 5 year re-qualification. In most all cases there is a current qualification but documentation for the time interval prior to current qualification is not available.

Suggest: “Records supporting an individual's current qualification shall be maintained while the individual is performing the covered task. Record of prior qualification and records of individuals no longer performing covered tasks shall be retained for a period of five years.”

The written operator qualification program does not have a provision that effective December 17, 2004, the operator must notify OPS (or State agency) of significant modifications to a previously reviewed operator qualification program.

Communicating changes in “PLAN”.

Need to address “Significant” changes and responsibility to notify regulatory body.

§192.805(i), Each operator shall have and follow a written qualification program. The program shall include provisions to:

(i) After December 16, 2004, notify the Administrator or a state agency participating under 49 U.S.C. Chapter 601 if the operator significantly modifies the program after the Administrator or state agency has verified that it complies with this section.

Date: 12/7/2009 Advisory Bulletin ADB-09-03 Pipeline Safety: Operator Qualification (OQ) Program Modifications.

### **Construction Division**

Meeting with MUD on 1/19/2012

Met: Jeff Loll, Corey O’Brien, Kevin Paasch

MUD has a well-known work force, meaning that the employee has worked for the foreman for a number of years.

MUD will be utilizing “Contractors” for the first time, this year!

MUD will be modifying the OQ program to better adapt to this change.

There is a controlling factor in OQ, the outside peripherals records are filed by HR (Human Relations).

Will be looking at the relationship of “Same task, Different Process for evaluating the task, from division-to-division.

Corey O’Brien is Supervisor of Construction Division (also Transportation Division).

Kevin is assigned to Construction Division. Kevin conducts most of the training.

(6) Field Foremen report to and are assigned to Kevin.

Crew Leaders report to assigned Field Forman.

The Field Forman may oversee several “Crews”.

137 personnel assigned to Construction.

Construction Standards are available in written form (copy in each truck) and electronic via computer,

How do Construction Standards play into the OQ process.

Written evaluations are developed with Construction Standards as a core part.

Training is developed around Construction Standards. In some cases the training is totally dedicated to the Construction Standards.

When there is a change to a standard, the copy's show an \* to the left hand side of page.

Alerting the reader that has been a change.

Construction Standards are listed in every "task" summary.

As well as AOC's associated with the task.

Are there restricted "tasks" within the Construction Division? Yes there are, welding metallic pipe, PE fusion are two of top of head.

An individual is qualified when the Supervisor signs off on the OQ Summary.

Then the paperwork is sent to HR. HR

Pipe Layer Welder is a position that would deal with PE Fusion (Butt, Saddle, Socket and electro-fusion)

There are multiple positions within the Construction Division/ Transportation.

We have; Drivers, Pipe Layer, Pipe Layer Welder, Pipe Layer Trainee, Utility, Crew Leader and Foreman job descriptions.

Steel (metallic) pipe welding "welders are in the Transportation Division,.

Are there other entities were welders are assigned. Yes Field Services and LNG.

LNG welder is qualified to a different standard.

Chief welders are evaluated by outside third party, to API 1104 Standard.

Other welders are assigned to a Chief welder and are certified to Appendix C.

Again the individual is qualified when the Division Supervisor signs-off.

Tasks are directly related to job position, advancement into a new (higher level position) would require the individual to apply for advancement and then be qualified for the tasks assigned to that position.

Most Tasks (majority) are initially evaluated by written (oral) test and performance evaluation.

Re-qualification is evaluated by written (oral) test. The skills and abilities are evaluated through performance evaluation. The performance evaluation covers many individual tracks. The skill of performing the task is only one part of the "performance evaluation".

There are multiple people involved with the performance evaluation:

Immediate supervisor (Crew Leader)

Field Foreman

Kevin

And eventually the Division Supervisor (with satisfactory completion of written test and successful job performance evaluation the individual would be qualified)

All initial qualification and re-qualification includes training and written test.

Training includes review of the respective Construction Standards, detailed review of the task and associated AOC's.

The individual is then given the written test, to be completed on an individual basis. The test is then reviewed. (on initial qualification this is a one-on-one review) for re-qualification the complete test is review in a group setting.  
Are there resources available to the individual, during the test? (Is this an open book test?)  
No during the initial test resources are not available. During review of the test, yes, the specific Construction Standards are available for the individual to refer to.  
(On-The-Job) Construction Standards are available in printed form, in a book in the Truck. Construction Standards are also available via computer in the office space.  
After the initial test, the tests are reviewed in a group setting, all questions are reviewed, after review the test are evaluated.  
Is there a criteria used for written Test? On the initial qualification for task, 75% would be the measure.  
Understanding that the test questions are reviewed prior to the final evaluation. The individual knows the correct answer prior to leaving the testing. (This deputy believes this form of evaluation is more incline with Pass/Fail than a numerically valued test score)

Asked, to be walked through an initial qualification.  
New employee: scheduled for training 'generally one individual but may be up to 6 (this may happen weeks or months into the job performance "not allowed to perform covered tasks" but able to observe tasks)  
Construction Standards are reviewed.  
Written Test (oral if need be)  
After individual completes test, test is scored (numerically). Then it is reviewed one-on-one basis.  
Then the trainer (evaluator) signs off on test.

#### FOR RE-QUALIFICATION

Construction Standards are reviewed.  
Written Test (oral if need be)  
After individual completes test.  
The test is then reviewed in a group setting. No score given.  
Then the trainer (evaluator) signs off on test.

An individual may be on the job for 4 to 5 years before they are OQ'd for a covered task.

What is a CREW? Depends we have 2 man crew, 3 man crew and 6 man crew.  
Typically a crew would be: 2 man crew = Crew Leader (OQ'd) Utility (OQ'd) OR Pipe Layer Trainee (not OQ'd)  
3 man crew = Crew Leader (OQ'd), Pipe layer/Welder (OQ'd) Utility (OQ'd) OR Pipe Layer Trainee (not OQ'd) or  
6 man crew = Crew Leader (OQ'd), Driver/Operator (OQ'd), Welder (OQ'd) Pipe layer (OQ'd) Utility (OQ'd) and Pipe Layer Trainee (not OQ'd)  
To get equipment from place to place we have "Drivers" (OQ'd and CDL)

#### SPAN OF CONTROL

Generally one-to-one

However the ratio is not specifically spelled out. N805 states “kept to a minimum”  
Worst case scenario we may have a ratio of one to four (OQ’d vs. Not).

\*\* You are not promoted because of OQ or time on the job.

Promotion is based upon:

- Application for an open position
- Job performance evaluation
- Skills abilities
- Performance Appraisal
- Physical limitations

Re-Evaluation: Suspect actions may have contributed to incident/accident.

Pretty well spelled out in N805 OQ program, which states the individual will be “evaluated”

Are there disciplinary actions taken when a person’s action may have contributed to an incident, as defined in Part 191? Death, Injury or dollar loss > 50K

Just for clarification, is the individual restricted from performing that covered task(s) until investigation indicates that their action did not play a part in the “incident”?

Yes, although there have been no “incidents” where this step has had to be used.

Is this statement (incident) strictly enforced or is there other events that could trigger this?  
Accident or Near Miss? There is “disciplinary action” that can be taken, but the belief is that under the OQ regulations, the wording agrees with Part 192.805.

Job description dictates the physical limitations

33 covered tasks for Construction Division

Summary of Observation of OQ records for Construction Division.

Task List for Multiple Divisions (Specific to Construction, 33 tasks)

Summary of Tasks

AOC’s covered in summary

Determination of qualification interval for each task covered by a matrix that included score for each area of DIF; (difficulty-Importance-Frequency)

Changes to task list

The District has overall OQ Program.

Each Division is responsible for evaluative process.

### **Field Services Division**

From review of Field Services Division.

MUD No. N 805.0

09/29/09

Ask for, from each Division:

- 1) Covered task list.
- 2) Summary of covered task and how to perform them.
- 3) Re-qualification time interval for each task.

- 4) Span of Control for evaluators (when in the performance of a non-qualified individual under direct observation)
- 5) Task specific AOCs'.
- 6) List of restricted tasks.
- 7) Requirements for successful completion of written and/or oral evaluation(s) and Hands on task performance evaluation.

There are “test” for evaluating “Knowledge”! How are “skills and Abilities accounted for? Evaluation Method indicates written or Oral test!

Operator does not use evaluation methods that are adequate to measure the task-specific knowledge, skills, and abilities (KSAs). Examples are use of knowledge-only testing for all tasks, use of performance evaluations without interaction to ensure the knowledge level of the individual performing the task, or use of one knowledge test to qualify individuals for all tasks.

Operators does not conduct performance evaluations/hands-on tests in a one-on-one, individual setting choosing instead a group setting unable to ensure each individual is qualified.

§192.805(b) Each operator shall have and follow a written qualification program. The program shall include provisions to:

- (b) Ensure through evaluation that individuals performing covered tasks are qualified;

Are records complete?

Operator records show deficiencies in evaluation and qualification of individuals that have been performing covered tasks. Examples are, inadequate records, irregularities in documentation (such as missing signatures), no evaluation for AOC recognition and reaction, all evaluation points not addressed.

§192.807(a) Each operator shall maintain records that demonstrate compliance with this subpart.

(a) Qualification records shall include:

- (1) Identification of qualified individual(s);
- (2) Identification of the covered tasks the individual is qualified to perform;
- (3) Date(s) of current qualification; and
- (4) Qualification method(s).

The written operator qualification program does not include a requirement to immediately suspend an individual's qualifications to perform a specific covered task if there is reason to believe the individual may have contributed to an incident or accident while performing the task, pending the outcome of the investigation.

§192.805(d) Each operator shall have and follow a written qualification program. The program shall include provisions to:

- (d) Evaluate an individual if the operator has reason to believe that the individual's performance of a covered task contributed to an incident or accident as defined in Part 192/195;

If there is reason to believe that an individual's performance of a covered task contributed to an incident as defined in 49 CFR Part 191, as amended, the District will initiate an evaluation of the individual's qualification to perform that covered task and possible need for further training and requalification. This evaluation will be performed in accordance with the evaluation methods established in Part B of this Plan.

Is Accident/Incident investigation a covered Task?

Is there documentation showing evaluation of qualified individuals for recognition and reaction to AOCs?

Need to address "Significant" changes and responsibility to notify regulatory body. §192.805(i), Each operator shall have and follow a written qualification program. The program shall include provisions to:

(i) After December 16, 2004, notify the Administrator or a state agency participating under 49 U.S.C. Chapter 601 if the operator significantly modifies the program after the Administrator or state agency has verified that it complies with this section.

Date: 12/7/2009

Advisory Bulletin ADB-09-03 Pipeline Safety: Operator Qualification (OQ) Program Modifications.

The written operator qualification program does not have a provision that effective December 17, 2004, the operator must notify OPS (or State agency) of significant modifications to a previously reviewed operator qualification program.

Advisory Bulletin ADB-09-03 Pipeline Safety: Operator Qualification (OQ) Program Modifications

MUD O&M N.805.0 Part A (2) Revised 9/29/09

2. Using the above criteria, the District will identify all covered tasks performed by District employees or contractors, and identify by job title, all employees who perform these covered tasks. New construction tasks involving expansion of system capacity or service are differentiated from maintenance tasks, and are not covered. Work such as repair or replacement of existing facilities is considered a maintenance task and is covered.

Addresses

Advisory Bulletin ADB-06-01 Notification on Safe Excavation Practices and the use of Qualified Personnel to oversee all Excavations and Backfilling Operations

Advisory Bulletin ADB-06-03 Accurately Locating and Marking Underground Pipelines Before Construction-Related Excavation Activities Commence Near the Pipelines.

Subsequent qualification means evaluation of an individual's qualification, after "transitional" or "initial" qualification, at the interval established by the Task Force.

## **Systems Control Division**

Met with staff of Gas Control Division to discuss operator qualification documentation, testing and compliance with MUD OQ program. Jeff Loll and Linda Woodring. Division has 8 personnel required for OQ.

1 specific task #53 "Remote monitoring of natural gas distribution system."

No actual control of system pressure or flow. Must notify field personnel.

Evaluation method is written test and performance with 6 scenarios. % score on both.

Criteria is 80% on written test and at least 83% on scenarios.

Scenarios are consistent problems with "random" location. Response is verbalized and appropriate action required.

Evaluation is One-on-One, written test given then scored. Scenarios are conducted after written evaluation.

Training is provided prior to performance on the job.

In review of documentation/recordkeeping.

\*Documentation of evaluation, some written evaluations lacked score or pass/fail indicator, some lacked evaluator ID.

### **Meter Reading Division**

Met with staff for Meter Reading Division to discuss operator qualification documentation, testing and compliance with MUD OQ program.: Jeff Loll and Nancy Parker

Division has 44 personnel required for OQ.

3 specific tasks

#26 Visual Atmospheric corrosion survey

#44 Leak survey

#55 Disconnect gas service.

Atmospheric survey and leakage survey are new task(s) to personnel (May/2011) only detection of issue, must call other department for corrective action.

Training including AOC's and evaluation of task provided by Tom Macdissi for leakage survey, Susan Grant for Atmospheric corrosion survey and Chris Walter for service disconnect.

Evaluation method is written test.

Criteria is 80% on written test (100% on critical questions) written test given to each individual then scored and reviewed.

Training and evaluation provided prior to performance on the job.

In review of documentation/recordkeeping.

\*Documentation of evaluation, some written evaluations lacked score or pass/fail indicator, some lacked evaluator ID. Note where criteria is stated as a %, we expect to see a score.

### **Transportation Division**

Met with staff for Transportation Division to discuss operator qualification documentation, testing and compliance with MUD OQ program. Jeff Loll Keith Stubbe and Corey O'Brian Division has 3 personnel required for OQ.

5 specific tasks, all requiring completion of API 1104 certification for welding steel pipe.

Task 49 deals with "Steps to minimize accidental ignition of gas in mains and services" suggested that this task be evaluated separately.

Evaluation method is certification under API 1104

Only task these personnel provide is welding steel pipe.

Training (welder's book) and evaluation provided prior to performance on the job.

In review of documentation/recordkeeping.

\* Suggested that this task #49 be evaluated separately.

\*Criteria indicates API 1104 certification, Chief Welder is certified API 1104, he then qualifies welders under API 1104 via Appendix C.

### **Gas Engineering Division**

Met with staff for Gas Engineering Division to discuss operator qualification documentation, testing and compliance with MUD OQ program. Jeff Loll and Susan Grant  
Division has 2 personnel required for OQ. SR Corrosion Engineer and Corrosion Technician  
17 specific tasks, all predicated around corrosion issues.

Task 43 deals with "Patrols" explained that these personnel do not conduct patrols in field, but review documentation related to the patrols. (no issue).

Evaluation method is specified for each task.

Training is required and is based upon NACE.

Evaluation provided prior to performance on the job.

In review of documentation/recordkeeping.

Typical evaluation interval is 5 years. However this division has accelerated time interval to 3 years for more productive/efficient use. (not a substantial change)

\*Documentation of "oral Evaluation" is lacking

### **FINDING:**

- 1) Was a pipeline/or pipeline facilities involved? Yes OQ Program
- 2) Were there contributing factors? Yes, multiple Divisions
- 3) Violations of the pipeline Operator of Part 191 or 192? Probable
- 4) Recommendations to the operator to prevent reoccurrence. Process on-going SUI

### **CONCLUSION:**

These Divisions appear to be compliant, while documentation could be improved.

Any evaluation(s) for qualification must verify that the individual performing a covered task has the knowledge, skills and abilities required to correctly perform that task.

That does not require that evaluations for requalification must be performed exactly the same as was performed for initial qualification or previous re-qualifications. For example, if the operator had adequately performed the qualification process for initial qualification, those same evaluation instruments are appropriate for use in the requalification process.

If an operator decides to change to using a valid performance-based evaluation process that includes knowledge verification as a component of the evaluation, as opposed to a written examination and hands-on observation used in the original qualification process, that is also appropriate.

### **Plant Engineering Division**

Met with staff for Plant Engineering Jeff Loll, Steff Henn, John Velehradsky and Dave Stroebele to discuss operator qualification documentation and compliance with MUD OQ program.

All applicants for these job titles are from within MUD. (experience)

Division has 25 personnel required for OQ. This Division handles all "One Call" locate requests.

Last year 10 locators handled 78,000 requests.

5 specific tasks for most all

1 specific task for "Locators"

Evaluation method is written test and hands-on performance of locating pipeline.

Trainer for corrosion tasks is Susan Grant

Trainer for locator(s) is Dave Stroebele

Criteria for written test and for hand on performance are spelled out in the task sheet.

Evaluation is One-on-One, written test given then scored. Hands on are conducted after written evaluation.

Training is provided prior to performance on the job.

In review of documentation/recordkeeping.

\*Documentation of evaluation for "on-the-job performance is lacking for tasks #35 and #92 need Individual ID'd, Date, Evaluator ID and verification of qualification (check sheet) , some written evaluations lacked score or pass/fail indicator, some lacked evaluator ID.

### **Meter Shop Division**

Met with staff for Measurement Jeff Loll, Bernard Kiscoan, Gregg Wooster to discuss operator qualification documentation and compliance with MUD OQ program.

Division has 5 personnel required for OQ.

2 specific tasks

Evaluation method is written test and hands on performance of locating pipeline.

Qualification interval is 2 years.

Division installs measurement-correctors only, only field supplied small diameter pressure tubing.

Do not disrupt service.

Trainer for Measurement is Gregg Wooster (Field Services)

Criteria for written test is spelled out in the task sheet.

Evaluation is basically "oral" as a "group".

Training is provided prior to performance on the job.

In review of documentation/recordkeeping.

\*Documentation of evaluation is lacking Evaluator ID and verification of qualification (check sheet), some written evaluations lacked score or pass/fail indicator, some lacked evaluator ID.

### **Gas Distribution Division**

Tom Macdissi, Superintendent, Gas Production/Distribution & Assistant to Gas Control OQ

Tom was involved in the original development of MUD OQ Program.

1 Plan, 10 Division Heads to implement plan.

Tom displayed (2) two spreadsheets: 1) OQ Task Summary 2) Individual OQ Summary  
These two spreadsheets are updated daily on Toms' computer at log-on.

(same as for Mapping and Construction OQ records come from Mike May (HR) in pdf format

OQ qualification & Training are scheduled monthly for specific tasks

Include written test and hands-on-simulation.

A lot of the qualification covers hands-on use of individual computers linked to the mapping system.

There is also a "Foreman" book (maps) that is periodically updated to show construction activities.

The individual computers linked to the current mapping system.

Field engineers create as-built drawings

As-builts are then transferred to Drafting

Drafting may take up to 60 days to enter new line segment into the mapping system.

As-builts are usually available in map form with days of completion.

VASL program updated weekly.

MUD O&M section N 805.0 is Operator Qualification Program.

Within "Implementation of Plan" it is stated:

(1) The Director of Training & Development will be the contact person for the ongoing Operator Qualification Program and will maintain the official records of employee qualifications.

(2) Division supervisors will be responsible for the overall implementation of Operator Qualifications in their divisions, including training, testing, qualification of employees and monitoring of operations to ensure compliance.

Interview centered upon the "qualification" process.

As process was explained "training and testing" are conducted in a group setting.

Covers everyone in a specific job classification and those wishing to take training/qualification.

(38 personnel) In departments (Gas Distribution 16 personnel) (Gas Production 19 personnel) with three individuals brought on as summer help.

Training/evaluation day consists of: "Initial and subsequent are virtually the same process"

- 1) Review of background of task summary;
  - Review of specific O&M standards and any changes to O&M Standards.
  - Overview of covered task that includes AOC's.
- 2) PowerPoint presentation (training)
- 3) OQ Checklist documentation
- 4) Written Evaluation and/or Hand-on simulation.
- 5) OQ documentation

- Written or Oral Test "no specified time limit for test" ( All written tests to be filled out by individual)

(If Oral test given the document is same for all individuals) an oral test may be given as a group however each individual is asked a specific question.

- Written "test" is picked up evaluated, "scored" then test given back to individual and each answer

to each question is gone over. Any questions about the answers are addressed.

-Hands-on (While some tasks are evaluated by written test only, some of the written test include Hands on use of mapping program within each computer.

Where necessary the written test is evaluated and then a separate hands-on simulation is conducted.

It could be said that some hand-on simulation are basically an oral test given to an individual covering specific items presented to them (example would be "recognition of defective equipment).

OR "Visual Inspection of PE Fusion).

- Test date for individual is then entered onto a qualification summary sheet, along with method used as evaluation, then is initialed by evaluator (Supervisor) and individual (employee)

- When training/qualification session is concluded, summary sheet sent to " Department Supervisor (Tom Macdissi)" for signature.

This document "OQ qualification Summary Sheet" is then forwarded to (in this case VP Knight) and Human Relations (HR).

There is a specific criterion spelled out for written test and is stipulated on the OQ Covered Task Summary Sheet" in most all cases this is criterion is: successful completion of all critical questions and at least an 80% overall score.

Verified that when changes are made to (Standards, equipment, or procedures) that the individual is re-qualified for that task.

Verified by, discussion, visual documents of changes in equipment, changes in procedure and changes in Standards. (Group is generally scheduled in for training or safety meeting to provide for documentation and evaluation).

Again this department has many long term employees, there have been "new hires" and transitional individuals (transferring from other Divisions)

Asked for and received a flow chart showing departmental structure.

Primary area of Gas Distribution (Gas D)

Gas Maintenance Worker trainee

Leak Surveyor

Chart Technicians

Gas Maintenance Worker

Leak Surveyor Assistant

Crew leader

Foreman

Supervisor

Department VP

FINDING:

1) Was a pipeline/or pipeline facilities involved? Yes OQ Program

2) Were there contributing factors? Yes, multiple Divisions

3) Violations of the pipeline Operator of Part 191 or 192? no

4) Recommendations to the operator to prevent reoccurrence. Process on-going SUI

**CONCLUSION:**

This Division is broken into Departments, OQ documentation for Gas Distribution appears to be compliant.

**Gas Production Division**

Met with staff for Gas Production Tom Macdissi, Andy Melville and Ron Mikulicz to discuss operator qualification documentation and compliance with MUD OQ program. Tom Macdissi, Superintendent, Gas Production/Distribution & Assistant to Gas Control OQ This Division has 18 personnel under OQ program  
Odor sampling  
Odor Control  
Evaluation include written test and hands-on-simulation.  
Evaluation Interval has been revised to 2 years.  
Frequency of work and training needs were driving force behind change.  
Task # 52 will be retired. This deals with changing charts.  
Criteria for written test is 80%.  
New trainer suggested that all written test(s) have Individual ID, Date, Evaluator ID and "Score"

**FINDING:**

- 1) Was a pipeline/or pipeline facilities involved? Yes OQ Program
- 2) Were there contributing factors? Yes, multiple Divisions
- 3) Violations of the pipeline Operator of Part 191 or 192? no
- 4) Recommendations to the operator to prevent reoccurrence. Process on-going SUI

**CONCLUSION:**

Any evaluation(s) for qualification must verify that the individual performing a covered task has the knowledge, skills and abilities required to correctly perform that task. That does not require that evaluations for requalification must be performed exactly the same as was performed for initial qualification or previous re-qualifications. For example, if the operator had adequately performed the qualification process for initial qualification, those same evaluation instruments are appropriate for use in the requalification process. If an operator decides to change to using a valid performance-based evaluation process that includes knowledge verification as a component of the evaluation, as opposed to a written examination and hands-on observation used in the original qualification process, that is also appropriate.

Evaluation means a documented process, established by the operator to determine an individual's ability to perform a covered task, recognize and react to abnormal operating conditions. The theory of "group testing", while conserving time, may not be the best choice for evaluating an individual's ability.

**By Arnie Bates DSFM 8738**

# STATE OF NEBRASKA



## Notice of Probable Violation

Dave Heineman  
Governor

STATE FIRE MARSHAL  
John Falgione  
Fire Marshal

### CERTIFIED MAIL – RETURN RECEIPT REQUESTED

June 11, 2012

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

RE: Operator Qualification inspection – #20120611-N

Pursuant to the Nebraska Natural Gas Pipeline Safety Act of 1969, representatives of the Nebraska State Fire Marshal's Office, Pipeline Safety Section conducted an inspection of Metropolitan Utilities District (MUD) Operator Qualification Program. 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 investigation as they relate to the probable violations. Items in blue are the Part 192 reference followed in black by our findings.

#### § 192.805 Qualification program...

(b) Ensure through evaluation that individuals performing covered tasks are qualified ...

At the time of inspection, Field Services Personnel sit down to a written test and after the test is taken the Proctor asks the group for the correct answer to each question. When everyone agrees to the agreed upon answer on the written test the group moves on to the next question. After the written test is corrected by the person being evaluated it is handed in to the Proctor. This procedure appears to evaluate the group and not the individual.

□ 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

**§ 192.807 Each operator shall maintain records that demonstrate compliance with this subpart...**

At the time of inspection, the written tests as records of an evaluation of an individual do not indicate who evaluated the written test in Metropolitan Utilities District Field Services Division, Transportation Division, Meter Reading Division, Meter Shop Division, Plant Engineering Division, and Systems Control Division.

At the time of inspection, the written tests as records of an evaluation of an individual do not indicate that the individual is considered qualified in Metropolitan Utilities District Field Services Division, Transportation Division, Meter Reading Division, Meter Shop Division, Plant Engineering Division, and Systems Control Division.

At the time of inspection, oral tests records do not indicate who performed the evaluation in Metropolitan Utilities District Engineering Design Division.

At the time of inspection, oral tests records do not indicate what normal activities and abnormal operating conditions the individual was evaluated for in Metropolitan Utilities District Engineering Design Division.

**§ 192.805 Qualification program...**

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

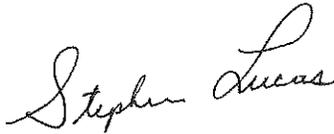
(i) After December 16, 2004, notify the Administrator or a state agency participating under 49 U.S.C. Chapter 601 if the operator significantly modifies the program after the Administrator or state agency has verified that it complies with this section.

At the time of inspection, Metropolitan Utilities District did not address the notifications to the appropriate agencies when significant modifications are made to the OQ program. Metropolitan Utilities District's OQ Plan must be revised to address the notifications to the Nebraska State Fire Marshal when significant modifications are made to their OQ program.

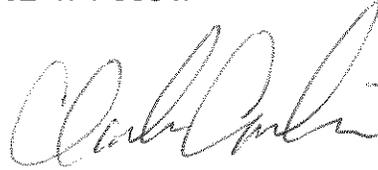
Whenever the State Fire Marshal has reason to believe any person is violating any provision of subsection (1) of section 81-545 of the Nebraska Natural Gas Pipeline Safety Act of 1969 or any regulation under the Nebraska Natural Gas Pipeline Safety Act of 1969, the State Fire Marshal may request the 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 #20120611-N on the return correspondence to our office.** The response may accept the finding and state a plan of action to address these findings or, the response may disagree with our findings. If Metropolitan Utilities District chooses to disagree with our findings, please justify your position in your 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 402-471-9664.



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

Scott Keep  
Senior Vice President of Operations  
Metropolitan Utilities District  
3100 South 61st Avenue  
Omaha, NE 68106-3621



**METROPOLITAN**  
UTILITIES DISTRICT

July 12, 2012

Received on:  
JUL 16 2012  
NE State Fire Marshal

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

Reference # 20120611-N

Mr. Lucas,

I am responding to your June 11, 2012, letter concerning Notice of Probable Violation, which was received in MUD Engineering on June 18th, 2012. The letter concerns findings by the State Fire Marshal's office related to several aspects of implementation of the Operator Qualification program.

At the outset the District wants to note that its Operator Qualification Program has remained for the most part, unchanged since its inception in 2001 and the "Probable Violations" noted in your letter have not been brought to the District's attention until now despite previous audit and inspections in the interim time period. The District believes that the "Probable Violations" noted are the result of "new interpretations" of the regulations and it will make the adjustments noted later in this letter to its OQ Program to come into compliance with the new interpretations but should not be cited for its potential noncompliance with the new interpretations when it hasn't had the chance to modify its Program before now.

The probable violations are as follows:

**§ 192.805 Qualification program...**

**(b) Ensure through evaluation that individuals performing covered tasks are qualified...**

At the time of inspection, Field Services Personnel sit down to a written test and after the test is taken the Proctor asks the group for the correct answer to each question. When everyone agrees to the agreed upon answer on the written test the group moves on to the next question. After the written test is corrected by the person being evaluated it is handed in to the Proctor. This procedure appears to evaluate the group and not the individual.

**The practice described above roughly describes the practice Field Services uses only for requalification of existing qualified employees. It should be noted that the first time an employee qualifies, that employee individually takes a written**

test and if they don't pass that test, they are retrained on the incorrect items and are required to come back at a later date to successfully complete the test.

The method we have been using relies heavily on the Evaluator to determine that each qualifier understands how to properly carry out the prescribed task. Although we firmly believe that this method will provide properly qualified employees, we agree to modify our qualification of Field Service employees as follows:

1. Our intent is for both initial and subsequent qualifications to be modified to require each Field Services employee to be tested by a written exam.
2. If oral qualification on any aspect is required, it will be done on an individual basis, so that no input from others is possible for individuals being tested. Oral tests will generally be used to follow up on any missed questions on the written test in order to fully determine the employee's knowledge and understanding.
3. When oral qualification is used, a general description of the subject matter discussed and appropriate responses communicated during the oral qualification will also be documented.

**§ 192.805 Each operator shall maintain records that demonstrate compliance with this subpart...**

At the time of inspection, the written tests as records of an evaluation of an individual do not indicate who evaluated the written test in Metropolitan Utilities District Field Services Division, Transportation Division, Meter Reading Division, Meter Shop Division, Plant Engineering division, and Systems Control Division.

As described in the Operator Qualification regulation, the written test is one of several "methods" for determining qualifications. As such, it is merely the tool which is used. Not all qualifications require a written test.

However, the qualification report form that is filled out at the completion of testing and recorded in Human Resources is the key qualification document which provides evidence of the employee's qualifications. It provides the individual employee's employee number and job title. It lists rows of covered tasks, with columns to designate evaluation method, initials of the evaluator (supervisor) and employee. It is accepted company practice that the initials in the evaluator (supervisor) column are those of the person who evaluated the individual and found them to be qualified. Also on this form is an approval of the supervisor and/or Division head who approved this qualification report.

We will revise both the written tests and qualification report forms to more clearly identify the evaluator by requiring their signature at the bottom of the form

At the time of inspection, the written tests as records of an evaluation of an individual do not indicate that the individual is considered qualified in Metropolitan Utilities District

Field Services Division, Transportation Division, Meter Reading Division, Meter Shop Division, Plant Engineering Division, and Systems Control Division.

As described in the section above, the qualification report form is the document which is considered evidence that the individual employee is qualified. The tests provide the supporting documentation. It is company practice that only those tasks on the qualification report form accompanied by an evaluator's initials are tasks for which the employee is qualified.

It is agreed that there can be a clearer way of designating this status and it is our intent to add two check boxes to the report form that will declare that the employee does or does not qualify for this task during this appraisal.

At the time of inspection, oral tests records do not indicate who performed the evaluation in Metropolitan Utilities District Engineering Design Division.

Once again, it is company practice that the initials in the evaluator column of the qualification report form are those of the person who performed and evaluated the oral exam and judged the individual to be qualified. As noted above, we will change the requirement for initials to also requiring a signature of the evaluator at the bottom of the form.

At the time of inspection, oral tests records do not indicate what normal activities and abnormal operating conditions the individual was evaluated for in Metropolitan Utilities District Engineering Design Division.

The coded information in the method of evaluation column and the initials in the evaluated by column attest to the determination that the qualification method was oral exam and that the evaluator judges the individual to be competent related to the designated covered task and therefore capable of recognizing and reacting to abnormal operating conditions. This judgment is based on verbal description by the individual in response to both the general and follow-up questions. As noted above, we will change the requirement for initials to requiring a signature of the evaluator at the bottom of the form and will also modify the qualification procedure to require documentation of the subjects discussed in the oral examination.

### § 192.807 Qualification program...

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

(i) After December 16, 2004, notify the Administrator or a state agency participating under 49 U. S. C. Chapter 601 if the operator significantly modifies the program after the Administrator or state agency has verified that it complies with this section.

At the time of inspection, Metropolitan Utilities District did not address the notifications to the appropriate agencies when the significant modifications are made to the OQ program

Metropolitan Utilities District's OQ Plan must be revised to address the notification to the Nebraska State Fire Marshal when significant modifications are made to their OQ program.

Upon closer review it is now understood that the March 3<sup>rd</sup>, 2005 amendment created paragraph i, of Part 192.805 not as a statement that stands on its own, but as one of a list of items subordinate to the phrase "The program shall include provisions to: ...". When it is read as intended, it does indicate that the OQ plan should specifically address the intent and method of communicating significant changes to the regulator. The District will add language to this effect and notify the Fire Marshal's office that this change, which is in itself significant, is being made.

It should be noted that since the Operator Qualification Rule became effective, our OQ committee routinely discussed whether any significant changes to our plan were needed, and has never concluded that changes were sufficiently significant to require notification.

## DISTRICT REVIEW

Previously the District Operator Qualification Program was inspected in January of 2004 for inspection protocols 1 thru 8. The only potential issue identified at that time was that span of control was not identified on a task-by-task basis and there was no notice of probable violations related to that inspection. In the 2012 inspection the span of control was not identified as an issue under protocol 3.02.

Different Divisions of the Metropolitan Utilities District have individual responsibilities that address the same operator qualification topics at different levels of competence and responsibilities. For example, qualified employees in Gas Distribution and the Corrosion Engineer are both qualified for covered tasks 1 (visually inspecting metallic components for defects) and 20 (examination of exposed metallic pipelines). The Corrosion Engineer would naturally have a much greater requirement for competence and different responsibilities for both of those topics. For that reason different divisions have different procedures and requirements for qualification.

The District will, however, create a more uniform qualification report form for all divisions to use. While the individual tests are designed to be appropriate for the work performed within the Division, each division reports the qualification status for individuals on the report form. These forms are maintained in the Human Resources Department. The form designates one employee, one employee number and one job title. It lists rows of covered tasks, with columns to designate evaluation method, initials of the evaluator (supervisor) and employee.

## CONCLUSION

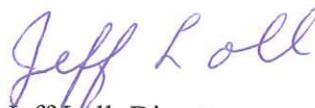
There is some paperwork involved in the District Operator Qualification program that makes it more difficult for inspection of the recordkeeping and documentation.

This paperwork helps the District maintain the individuality of the qualification for different Divisions and should be maintained. There is also some ambiguity about the meaning and relevance of various initials and signatures on these forms. The District needs to be more explicit on the forms concerning the use of initials and signatures.

### CORRECTIVE ACTION

- A. The District will modify the qualification of Field Service employees as follows:
  - 1. Our intent is for both initial and subsequent qualifications to be modified to call for each employee to be tested by a written exam.
  - 2. If oral testing on any aspect is required, it will be done on an individual basis, so that no input from others is possible for individuals being tested.
  - 3. When oral testing is used, a general description of the subject matter discussed and appropriate responses communicated during the verbal qualification will also be documented.
- B. Revise written tests and qualification report forms as described above.
- C. The District now understands that the OQ plan should include provisions for notification to the State Fire Marshal's office of significant changes to the plan. Notice of the changes that are made in response to this Notice of Probable violation #20120622-N will be provided in accordance with that requirement.

Sincerely,

A handwritten signature in blue ink that reads "Jeff Loll". The signature is written in a cursive style with a large initial "J".

Jeff Loll, Director,  
Engineering Design



Received on:  
JUL 26 2012  
NE State Fire Marshal

July 23, 2012

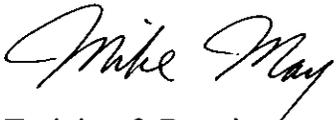
Mr. Stephen Lucas  
Deputy State Fire Marshal  
246 S. 14<sup>th</sup> St.  
Lincoln, NE 68508-1804

Dear Stephen:

Enclosed is a copy of our revised Operator Qualification plan which adds a section addressing the issue of notifying your office in the event of significant changes to our program. The effective date of the revision is July 20, 2012.

This is being provided to you according to the corrective actions stated in M.U.D.'s July 12, 2012, response to the Notice of Probable Violation, Reference # 20120611-N.

Sincerely,

  
Mike May  
Director of Training & Development

Enclosure

cc: Jeff Loll

## **Metropolitan Utilities District Operator Qualification Plan**

### **TASK FORCE**

The President appointed a Task Force to accomplish the following:

1. Identification of all covered tasks performed at the District
2. Identification of all job descriptions in which covered tasks are performed including both District and contractor positions
3. Establishing evaluation methods to determine an individual's qualifications and retention of qualification
4. Establishing how and who will be responsible for providing records of qualifications and maintenance of those records. The official records are to be maintained in Human Resources

The following Task Force members were charged with addressing the listed issues and development of a timely plan for the District:

Superintendent, Construction  
Superintendent, Gas Distribution  
Superintendent, Field Services  
Director of Engineering Design  
Vice President of Safety & Security  
Director of Training & Development, Task Force Chair

**Department of Transportation  
Research and Special Programs Administration  
49 CFR Part 192**

### **FINAL RULE SUMMARY**

This rule requires pipeline operators to develop and maintain a written qualification program for individuals performing covered tasks on pipeline facilities. The intent of this qualification rule is to ensure a qualified work force and to reduce the probability and consequence of incidents caused by human error. This final rule creates new subparts in the gas pipeline safety regulations. It establishes qualification requirements for individuals performing covered tasks. This final rule was developed through a negotiation process. The final rule became effective on August 27, 1999.

### **PURPOSE OF PLAN**

To establish the requirements and responsibilities for the qualification of individuals who perform covered tasks.

### **SCOPE OF PLAN**

This program applies to the personnel and activities necessary to qualify individuals to perform covered tasks, and to recognize and react to abnormal operating conditions.

## **IMPLEMENTATION OF PLAN**

The Director of Training & Development will be the contact person for the ongoing Operator Qualification Program and will maintain the official records of employee qualifications. He also will monitor issues related to Operator Qualifications and convene a Standing Committee as needed to discuss issues or concerns. The Standing Committee will consist of representatives of each Division covered by the Plan, and will be chaired by the Director of Training & Development.

Division supervisors will be responsible for the overall implementation of Operator Qualifications in their divisions, including training, testing, qualification of employees and monitoring of operations to ensure compliance.

## **REVIEW OF PLAN**

The Standing Committee will meet during the last quarter of each year to review the changes in **DOT 49 CFR Part 192** made during the past year which may lead to defining new covered tasks, changes in company procedures which also may lead to defining new covered tasks or revising current tasks, and an evaluation of the overall effectiveness of the plan and its implementation. The Vice President of Safety & Security will monitor regulatory changes and present his findings to the Standing Committee during the fourth quarter meeting. He also will serve as an advisor to the Standing Committee on regulatory issues.

## **DEFINITIONS**

The following definitions are derived from the DOT Regulations in 49 CFR Part 192 and the Preamble to the Operator Qualification Final Rule.

### Abnormal Operating Condition

Abnormal Operating Condition means a condition identified by the operator that may indicate a malfunction of a component or a deviation from normal operations which may indicate a condition exceeding design limits or result in a hazard(s) to persons, property or the environment.

### Evaluation

Evaluation means a documented process, established by the operator to determine an individual's ability to perform a covered task by any of the following: written examination, oral examination, work performance history review, observation during (a) performance on the job, (b) on the job training (c) simulations, or other forms of assessment.

### Qualified

An individual has been evaluated and is able to properly perform a covered task(s), and recognize and react to abnormal operating conditions that may be encountered during the performance of the covered task(s).

### Pipeline

All parts of those physical facilities through which gas moves in transportation, including pipe, valves and other appurtenance attached to pipe; compressor units; metering stations; regulator stations, delivery stations, and holders and fabricated assemblies.

### Pipeline Facility

New and existing pipelines, rights-of-way, and any equipment, facility, or building used in the transportation of gas or in the treatment of gas during the course of transportation.

### **WARNING**

Used to identify when there is a possibility of physical harm to the employee.

### **CAUTION**

Used to let the employee know when there is a possibility of damage to equipment.

### **REQUIRED PROVISIONS:**

#### **Part A – IDENTIFY COVERED TASKS**

1. A four-part test shall be used to determine whether a task is a covered task. A task must meet all four criteria to be a covered task:
  - A. The task is performed directly on the pipeline facility subject to Part 192
  - B. The task is an operation, maintenance or construction task
  - C. The task is performed as a requirement of Part 192
  - D. The task affects the operation or integrity of the pipeline
2. Using the above criteria, the District will identify all covered tasks performed by District employees or contractors, and identify by job title, all employees who perform these covered tasks.
3. For each covered task, the District will establish how the task is to be performed under normal operating conditions in the various divisions where employees perform these tasks. In doing this, using the terms **WARNING** and/or **CAUTION** will identify abnormal operating conditions, including both generic (those encountered during task performance) and specific (those resulting from task performance). Following this notation will be a summary of what to look out for and how to deal with that abnormal operating condition. Abnormal operating conditions include those conditions which may reasonably be anticipated.
4. A summary of the covered tasks and how to perform them, by division, will be maintained by each division.

## Part B – EVALUATION METHODS

The following table shows the types of evaluation methods the District may use to determine that its employees are qualified to perform the covered tasks.

EVALUATION METHOD	TRANSITIONAL	INITIAL	SUBSEQUENT
Written Exam	YES	YES	YES
Oral Exam	YES	YES	YES
Work Performance History Review	YES	May not be used as the sole evaluation method	May not be used as the only evaluation method after Oct. 28, 2002
Performance On-The-Job	YES	YES	YES
On-The-Job Training	YES	YES	YES
Simulation	YES	YES	YES
Other	YES	YES	YES

Transitional qualification means qualification completed during the period between August 27, 1999, and the compliance date of October 28, 2002.

Initial qualification means qualification, at any time, of individuals who were not performing a covered task on a regular basis prior to August 27, 1999.

Subsequent qualification means evaluation of an individual's qualification, after "transitional" or "initial" qualification, at the interval established by the Task Force.

### Performance History

Whenever a work history review method is used to evaluate an employee's qualification, the review will include one or more of the following:

1. A search of existing records for documentation of past satisfactory performance of covered tasks.
2. Verification that the individual's work performance history contains no indications of substandard work or involvement in an incident, as defined in Part 192, caused by an error in performing a covered task.
3. Verification that the individual has successfully performed the covered task prior to August 27, 1999.

**Use of Training** -- Training may be used during the qualification process to ensure an employee is fully qualified to perform a task. It also may be used in cases where an employee's performance of a covered task contributes to an incident, in order to correct any deficiencies in job skills before re-qualification can occur. To ensure the ongoing qualification of individuals, training may also be used to implement changes in work processes, procedures or tools.

**Evaluator Criteria** – Persons with responsibility for evaluating an individual's qualifications to perform "covered tasks" will have the required knowledge, through training or experience, to ascertain that individual's ability (1) to perform "covered tasks"; and (2) to recognize and react to abnormal operating conditions that might surface while performing those tasks.

**Part C – PLAN FOR NON-QUALIFIED INDIVIDUALS TO PERFORM COVERED TASKS**

The District will allow for individuals (including contractors) who are not qualified to perform covered tasks under certain circumstances, including but not limited to, the non-qualified individual's participation in on-the-job training or when working as part of a crew. However, under all circumstances, the following conditions must be met: (1) a qualified individual is assigned to direct and observe non-qualified individual(s) during the performance of a covered task. (2) A qualified individual is able to take immediate corrective actions when necessary. (3) The ratio of non-qualified individuals to a qualified individual is kept to a minimum.

Each division will maintain a list of its own tasks which non-qualified individuals will not be allowed to perform under normal circumstances, even with supervision by a qualified individual.

The only exception may be made for emergency response where a non-qualified employee is the only individual available who can take timely action to limit damage and protect life, property and the environment. However, if available, a qualified individual should perform covered tasks, including during a protracted emergency.

**Part D – WHEN PERFORMANCE CONTRIBUTES TO AN INCIDENT**

If there is reason to believe that an individual's performance of a covered task contributed to an incident as defined in 49 CFR Part 191, as amended, the District will initiate an evaluation of the individual's qualification to perform that covered task and possible need for further training and requalification. This evaluation will be performed in accordance with the evaluation methods established in **Part B** of this Plan.

**Part E – REASONABLE CAUSE TO VERIFY QUALIFICATION**

The District will evaluate an individual if there is reason to believe that the individual is no longer qualified to perform a covered task. Concerns regarding an individual's ability to perform a covered task may be prompted by a number of circumstances and reported to the District by any person. Possible reasons to verify an individual's qualification(s) include but are not limited to:

- Loss of motor skills, vision, impairment, etc.
- Statement from the employee
- Prolonged period of non-performance of the covered task(s)
- Unsatisfactory performance
- Received complaints

This evaluation will be performed in accordance with the evaluation methods established in **Part B** of this Plan.

## **Part F – COMMUNICATE CHANGES IN COVERED TASKS**

The District will communicate significant changes that affect a covered task to the individuals who perform that covered task. A change may be significant enough to require changes to the qualification process or additional evaluations. These changes may include but are not limited to:

- Significant modifications to company policies or procedures
- Significant changes in state or federal regulations
- Use of new equipment and/or technology that significantly affect the “covered tasks.”
- New information from equipment or product manufacturers that significantly affects “covered tasks.”

The need to communicate will vary depending upon the impact of the change to the covered task. Changes may have:

- Limited impact on the covered task and require no communication or further action
- Moderate impact on the covered task and require only communication of the change
- Significant impact on the covered task and require communication of the modification of the qualification process.

Significant changes affecting a covered task will be communicated to the individual(s) performing that task as soon as reasonably possible. When significant changes occur, the District will consider whether additional qualification requirements are necessary and whether individuals performing the covered task should be re-evaluated.

## **Part G – QUALIFICATION EVALUATION AND INTERVALS**

The following criteria will be applied to each covered task to determine the appropriate subsequent qualification interval applied to that task:

1. Repetitive nature
2. Level of risk
3. Complexity
4. Existence of:
  - a. checklists; written plans
  - b. follow-up actions
  - c. audits
5. Statutory requirements

The qualification interval for each covered task will be incorporated with other information on the covered task. A 90-day grace period will generally be permitted to allow for unanticipated contingencies when requalifying employees for tasks due for subsequent qualification.

## **Part H – RECORD KEEPING METHODS**

The District will ensure records demonstrating an individual's qualification to perform a covered task will be supplied by the appropriate division to the Human Resources Department where they will be maintained using one or more of the following methods:

- Electronic qualification results,
- Hard copy of qualification results,
- Other appropriate methods.

These records will contain the covered task, name of the evaluator, method(s) of evaluation, the individual being qualified and date when qualification was completed. These records will contain information on all qualifications for the last five years and be retained for five years from the last performance of the covered tasks.

## **Part I – CONTRACTORS**

The District will ensure that all individuals performing covered tasks will be in compliance with the Operator Qualification Rule. All contracts will state this requirement.

## **Part J – SIGNIFICANT MODIFICATIONS TO OQ PLAN**

If significant modifications to the District's Operator Qualification Program are required, they will be communicated to the Nebraska State Fire Marshal's office by registered mail within 30 days of the effective date of the modifications(s). Significant program modifications may include: increasing evaluation intervals or span of control, eliminating covered tasks, mergers or acquisition changes, changes in evaluation methods, or wholesale changes to the plan.

Revised 7/20/2012

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

<b>Name of Operator:</b>	Metropolitan Utilities District (MUD)	<b>Unit #</b> 15-01-000	<b>Site</b> HQ
<b>Operator Address:</b> 3100 South 61st Avenue Omaha, NE 68106-3621		<b>Phone Number:</b> (402) 504-7903 <b>Fax Number:</b> Emergency: (402) 554-7777 Federal ID: 12390	
<b>Persons Interviewed</b>	<b>Title</b>	<b>Phone No.</b>	
Denise Dolezal	MUD Senior Design Engineer	(402) 504-7791	
Jeff Schovanec	MUD Design Engineering Director	(402) 504-7903	
Stephanie Henn	MUD Plant Engineering Director	(402) 504-7902	
Dave Stroebele	MUD Plant Engineering Supervisor	(402) 504-7783	
John Velehradsky	MUD Plant Engineer	(402) 504-7914	
Greg Woster	MUD Field Services Foreman	(402) 504-7945	
Cory O'Brien	MUD Construction Superintendent	(402) 504-7790	
Keith Stubbe	MUD Transportation Foreman	(402) 504-7857	
Bernie Kiscoan	MUD Meter Shop Foreman	(402) 504-7831	
Nancy Parker	MUD Meter Reading Supervisor	(402) 504-7831	
Linda Woodring	MUD Systems Control Director	(402) 504-7798	
<b>Persons conducting Inspection:</b> Stephen Lucas DSFM 8715 / Arnie Bates DSFM 8738			<b>Date:</b> 05/14, 16, & 22/2013
<b>Description:</b> Code 192.805 <b>Date of Letter:</b> 06-11-12 <b>Type:</b> NOPV <b>Disposition:</b> Open			
Code 192.805(b) <b>Date of Letter:</b> 06-11-12 <b>Type:</b> NOPV <b>Disposition:</b> Open			
<b>Portion of Unit Inspected :</b> Records of Operator qualification evaluations for Design Engineering, Field Services, Transportation, Meter Reading, Meter Shop, Plant Engineering, and Systems Control Divisions			

**Comments:**

We found evidence of changes made to the evaluation documents in Design Engineering, Field Services, Meter Reading, Transportation and Systems Control Divisions. We did not find enough records available at this time of this inspection to verify compliance in Plant Engineering and Meter shop Divisions. At the time of this inspection we do not believe the Welder Qualification tests used in transportation are adequate to evaluate the covered task of prevention of Accidental Ignitions. We are concerned at this time and would like to review training received by Transportation Division Welders pertaining to the API 1104 section 9 requirements

**End Of Report**

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

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<b>Portion of Unit Inspected :</b> Records of Operator qualification evaluations for Design Engineering, Field Services, Transportation, Meter Reading, Meter Shop, Plant Engineering, and Systems Control Divisions			

**Comments:**

Meeting/inspection at MUD headquarters May 14 & 16 2013 the purpose of the meeting was to review documents and to ascertain the validity of Operator Qualification record keeping. Documents are: MUD Operator Qualification Plan as outlined in MUD O&M No. N.805.0 including newest revisions. Copies of specific individual qualification records including; written test and the "Evaluation Document" (OQ verification).

The Probable violation of CFR 49 Part 192.805(b) was inspected by Stephen Lucas. Concern is the process used by MUD Field Services to evaluate an individuals' qualification to perform a covered task. Observation of the process utilized by MUD Field Services to evaluating (testing) has been conducted by Lucas. Lucas found that MUD Field Services is now evaluating each individual in MUD field services to perform covered tasks. This correction of their evaluation method is found by our office to be in compliance with CFR 49 Part 192.805(b).

In most cases the documentation supporting operator qualification of an individual is stated as "Subsequent" or "Initial" qualification", the meaning of which is now more clear than in previous

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

inspections. Intervals for each task were provided by review and risk evaluation of specific categories by a "committee" of MUD personnel.

There was discussion between MUD "Supervisors" and State Fire Marshal representatives, of successful completion of written and/or oral evaluation(s) and Hands on task performance evaluation. There are "test" for evaluating "Knowledge" and performance evaluation "skills and Abilities", with Abnormal Operating Conditions included in the evaluation process.

§192.805(b) Each operator shall have and follow a written qualification program. The program shall include provisions to:

(b) Ensure through evaluation that individuals performing covered tasks are qualified. For the most part the MUD Divisions monitored have or will utilize a revised "qualification report form" documenting:

- 1) Individual, by name & ID#
- 2) The covered task,
- 3) Type of evaluative method
- 4) Evaluators Initials of task
- 5) Individual's initials of task
- 6) Evaluator / Supervisors Signature
- 7) Division Supervisor signature.

This report is maintained by the "Division" and is sent to "Human Resources", OQ Program Manager for input into final data base. The OQ data base contains all "tasks" qualified by the individual, indicator of type of evaluation and final qualification date. This document or report is the official MUD OQ record.

Review of "written evaluation" contained the pertinent individual ID, Date of evaluation, Evaluators' comments on follow-up of missed answers, Indication of (pass/fail) score or both and Evaluators signature.

In some Divisions there is a minimum score to "pass" a written test (example would be 70%) while in other Divisions the test are corrected, there is follow-up discussion or training between the individual and evaluator, for missed question(s), with a final indicator of Pass or Fail for that evaluation. In my opinion this is an acceptable format. As long as the "Task description" indicates the criteria for evaluation. Currently the documentation appears to have met expectations.

Over the two day period we (Stephen and I) reviewed documents (evaluations and qualification sheets) for multiple individuals that completed either "initial" or "subsequent" written evaluation for a task. It should be noted that no "oral" evaluation of an individual was documented.

Question of to supervisors and evaluators, whether or not "oral" evaluation was utilized to qualify an individual, was answered with comments to the effect that "oral" evaluation has not been used in the current qualification cycle.

The original "notice" from Pipeline Safety indicated issues with documentation and verification of evaluation for task. Any evaluation(s) for qualification must verify that the individual performing a covered task has the knowledge, skills and abilities required to correctly perform that task. The operator selects the "appropriate evaluative method" to satisfy this requirement and supports the qualification with documentation. I believe that Metropolitan Utilities District has met those requirements with the following exception;

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

During review of documentation of "welders" there was an additional issue concerning verification of welder qualification. While current documents support qualification of an individual by MUD representatives, there is question whether the evaluative method satisfies the task requirements.

I believe the task was "welding Steel pipe".

The individual has multiple "Task" that need to be completed for qualification of the covered task, all of which are currently satisfied by API 1104 weld certification.

There is believe that this may be an assumption of the welder's abilities in two specific tasks. Visual inspection of weld(s).

Controlling accidental ignition of natural gas.

During the discussion, it was agreed that an individual would complete a written test to satisfy "Controlling accidental ignition of natural gas".

In addition there was discussion of the task "Visual inspection of welds" task and what documentation is needed to justify a "qualification" of that task.

The following is for discussion and starts with an interpretation of API 1104 and a quote from CFR 49 Part 192

### **API 1104 8.3 QUALIFICATION OF INSPECTION PERSONNEL**

The level of education, experience, and training required for welding inspection personnel is left to

the discretion of the company. No specific examination is required. However, the company must keep records pertaining to qualification of welding inspection personnel. Documentation of these qualifications shall be retained by the company and shall include but is not limited to the following:

- a. Education and experience.
- b. Training.
- c. Results of any qualification examinations.

§192.241 Inspection and test of welds.

(a) Visual inspection of welding must be conducted by an individual qualified by appropriate training and experience to ensure that:

- (1) The welding is performed in accordance with the welding procedure; and
- (2) The weld is acceptable under paragraph (c) of this section.

(c) The acceptability of a weld that is nondestructively tested or visually inspected is determined according to the standards in Section 9 of API Standard 1104...

Therefore it is the opinion of this deputy that when an operator indicates that an individual is qualified to conduct visual examination of a distribution weld, then the individual is qualified. Now the operator should be able to back this qualification up by some instrument or document of experience and training (training for visual weld inspection). While an individual may be an excellent pipeline welder, that individual may or may not be a good candidate for visual inspection of welds. It is my opinion (if) the operator can produce documentation of training on visual inspection of welds and indicates the experience of the individual in a welding environment, and then the operator can say the individual is qualified to conduct visual inspection of welds without further documentation of testing.

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

IF we are looking at "welding" qualification, does visual inspection of welds have to be part of a typical qualification? In this case I can see the requirement for the "chief Welder" to be qualified in this task.

Since he is charged with visually inspecting other welds, it would seem that we would want that task to be separate.

However if other welders are only charged with "welding pipeline" then maybe this task should be eliminated from their qualification.

In conclusion, I believe that at a minimum the operator needs to be able to provide documentation of training upon "visual inspection of welds" to be able to sign off on the qualification.

May 22 2013 met with representatives of the Plant Engineering Division to review progress on issues addressed in the "letter". While there have been steps to address some issues, there is still room for a more complete and verifiable documentation.

The "Evaluation Document" contains verifiable information and is same format as other Divisions.

Written test identify the individual, however the evaluator is not identified nor are there indicators of "Pass/Fail or Score" for the written test.

There have been (3) new tasks that have been identified and added to this Divisions' task list. It was indicated the current personnel were qualified in these task(s) that have a "variation" of wording. The previous wording included the phrase "exposed" while the new task will use the phrase "new construction" (same task, different connotation).

In discussion of the qualification of "contractors". Under current "work contract" the Contractor has to have an "approved" OQ program and provide the individual(s) OQ documents to MUD. The "core" MUD OQ Committee reviews the Contract's' OQ program for "approval" prior to awarding the "work contract". (In current case, Q3 provided program to MUD for approval and now provides the Project Engineer with each individual OQ document.

Both MUD and Q3 OQ Program have provisions for new equipment, material, fittings or changes in procedure(s).

The Project Engineer has oversight of (5) a MUD inspector, the Project Engineer oversees a project from start to finish.

It is suggested to MUD that this process (qualification of Contractor personnel" be spelled out in the MUD OQ Program. MUD indicated that they would take suggestion to the Core OQ Committee. We found evidence of changes made to the evaluation documents in Design Engineering, Field Services, Meter Reading, Transportation and Systems Control Divisions. We did not find enough records available at this time of this inspection to verify compliance in Plant Engineering and Meter shop Divisions. At the time of this inspection we do not believe the Welder Qualification tests used in transportation are adequate to evaluate the covered task of prevention of Accidental Ignitions. We are concerned at this time and would like to review training received by Transportation Division Welders pertaining to the API 1104 section 9 requirements

**End Of Report**

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

<b>Name of Operator:</b>	Metropolitan Utilities District	<b>Unit #</b> 15-01-000	<b>Site</b> HQ
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<b>Persons Interviewed</b>	<b>Title</b>	<b>Phone No.</b>	
Mike May	Chairperson - OQ Task Force	(402) 504-7886	
<b>Persons conducting Inspection:</b> Stephen Lucas DSFM 8715			<b>Date:</b> 09-30-2013
<b>Description:</b> Code 192.805 <b>Date of Letter:</b> 06-11-12 <b>Type:</b> NOPV <b>Disposition:</b> Closed			
<b>Portion of Unit Inspected :</b> Operator Qualification Plan for the Metropolitan Utilities District			

**Comments:**

I observed that subpart J has been added to include the language of the operator qualification plan to the effect that the Nebraska State Fire Marshal will be notified of any significant modifications to the operator qualification plan. This revision was dated 12-28-2012.

**End Of Report**

# STATE OF NEBRASKA



## Letter of Approval

**Dave Heineman**  
Governor

**Jim Heine**  
Fire Marshal

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

October 3, 2013

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

Subject: June 11, 2012 Notice of Probable Violation – #20120611-N

Thank you for your response to our Notice of Probable Violation. As a result of your actions and the results of a follow up inspection pertaining to this issue conducted by this office on September 30, 2013. The following Notice of Probable Violation is considered resolved.

§192.805 Qualification program.

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.

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 14<sup>th</sup> Street  
Lincoln, NE 68508-1804  
(402) 471-2027

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

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

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

<b>Name of Operator:</b>	Metropolitan Utilities District (MUD)	<b>Unit #</b> 15-00-000	<b>Site</b> HQ
<b>Operator Address:</b> 3100 South 61st Avenue Omaha, NE 68106-3621		<b>Phone Number:</b> (402) 504-7903 <b>Fax Number:</b> Emergency: (402) 554-7777 Federal ID: 12390	
<b>Persons Interviewed</b>	<b>Title</b>	<b>Phone No.</b>	
Denise Dolezal	MUD Senior Design Engineer- Compliance	(402) 504-7791	
Stephanie Henn	MUD Director, Plant Engineering	(402) 504-7902	
Dave Stroebele	MUD Supervisor, Field Engineering	(402) 504-7783	
John Velehradsky	MUD Senior Plant Engineer, Plant Engineering	(402) 504-7914	
<b>Persons conducting Inspection:</b> Stephen Lucas DSFM 8715			<b>Date:</b> 03/13 & 18/2014
<b>Description:</b> Code 192.807 <b>Date of Letter:</b> 06-11-12 <b>Type:</b> NOPV <b>Disposition:</b> Closed			
Code 192.805(b) <b>Date of Letter:</b> 06-11-12 <b>Type:</b> NOPV <b>Disposition:</b> Closed			
<b>Portion of Unit Inspected :</b> Records of Operator qualification evaluations for Plant Engineering.			

**Comments:**

The compliance Follow up inspection was held at The Districts facility on 61<sup>st</sup> Street March 13, 2014. The purpose of the meeting was to review documents and to ascertain the validity of Operator Qualification record keeping in the Plant Engineering Division.

Documents are:

Copies of specific individual qualification records including; written test and the "Evaluation Document" (OQ verification).

I inspected records for violations of CFR 49 Part 192.805(b). Concern was the process used by Plant Engineering to evaluate an individuals' qualification to perform covered tasks. Observation of the process utilized by This correction of their evaluation method is found by our office to be in compliance with CFR 49 Part 192.805(b).

§192.805(b) Each operator shall have and follow a written qualification program. The program shall include provisions to:

(b) Ensure through evaluation that individuals performing covered tasks are qualified. For the most part the MUD Divisions monitored have or will utilize a revised "qualification report form" documenting:

- 1) Individual, by name & ID#
- 2) The covered task,
- 3) Type of evaluative method
- 4) Evaluators Initials of task
- 5) Individual's initials of task
- 6) Evaluator / Supervisors Signature
- 7) Division Supervisor signature.

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

Review of "written evaluation" indicated the pertinent individual ID, Date of evaluation, Evaluators' comments on follow-up of missed answers, Indication of (pass/fail) score or both and Evaluators signature were evident on the records.

The original "notice" from Pipeline Safety indicated issues with documentation and verification of evaluation for task. Any evaluation(s) for qualification must verify that the individual performing a covered task has the knowledge, skills and abilities required to correctly perform that task. The operator selects the "appropriate evaluative method" to satisfy this requirement and supports the qualification with documentation.

**End Of Report**

# STATE OF NEBRASKA



## Letter of Approval

Dave Heineman  
Governor

Jim Heine  
Fire Marshal

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

March 25, 2014

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

Subject: June 11, 2012 Notice of Probable Violation

Thank you for your July 16, 2012 response to our Notice of Probable Violation. Your corrective actions and this office's follow up inspections pertaining to this issue were completed on March 18, 2014 and the following Notices of Probable Violation are considered resolved.

192.807 Recordkeeping.  
192.805(b) Qualification program.

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.

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