

Nebraska State Fire Marshal
Unit Inspection: Records and Field Facilities

| | | | |
|---------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------|
| Name of Operator: Timberline Energy LLC | | UNIT #39-00-000 | |
| HQ Address: Landfill Energy Systems (LES) PMB 353 15941 West 65th Street Shawnee, KS 66217 | | System/Unit Address: Timberline Energy LLC 3850 Road R David City, NE, 68632 | |
| Co. Official: | Peter Britton | Record ID No.: | _____ |
| Phone No.: | (913) 441-3633 | Phone No.: | _____ |
| Fax No.: | _____ | Fax No.: | _____ |
| Emergency Phone No.: | (855) 595-5319 | | |
| Persons Interviewed | Title | Phone No. | |
| Ryan Nelson | Facilities Technician | (402) 367-6248 | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Company System Maps (Copies for Region Files): | | | |
| Unit Description: Six miles of six inch PE transmission line operating at 50 psig. | | | |
| Portion of Unit Inspected: Annual Report and Records supporting Annual report | | | |
| Date: July 31, 2012 | | | |
| Person conducting Inspection Stephen Lucas DSFM 8715 | | | |
| GAS SYSTEM OPERATIONS | | | |
| Gas Supplier | N/A | Date: | |
| Unaccounted for Gas: | | Services: | <i>Residential Commercial Industrial Other</i> |
| Operating Pressure(s): | MAOP (Within last year) | Actual Operating Pressure (At time of Inspection) | |
| Feeder: | | | |
| Town: | | | |
| Other: 60 psig | 90 psig | 50 psig | |
| Does the operator have any transmission pipelines? yes | | | |

Nebraska State Fire Marshal
 Unit Inspection: Records and Field Facilities
 SCREENING QUESTIONS

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

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

Comments: Biogas Transmission Line

Nebraska State Fire Marshal Unit Inspection: Records and Field Facilities

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

Comments: not part of annual report records inspection

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

Comments: not part of annual report and leakage history inspection

STATE OF NEBRASKA



Notice of Probable Violation

Dave Heineman
Governor

STATE FIRE MARSHAL
John Falgione
Fire Marshal

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

August 31, 2012

Peter Britton
Timberline Energy, LLC Facility Manager
Landfill Energy Systems (LES)
PMB 353
15941 West 65th Street
Shawnee, KS 66217

Re: July 31, 2012 Annual Report Inspection

On July 12, 2012, pursuant to the Nebraska Natural Gas Pipeline Safety Act of 1969, a representative of the Nebraska State Fire Marshal's Office Pipeline Safety section conducted an inspection of Timberline Energy LLC's annual report. As a result of this inspection it appears that you have committed a probable violation of Title 155 Nebraska Administrative Code Chapter 1.001 adopting by reference Pipeline Safety Regulations Title 49, Code of Federal Regulations, Part 191, 192, 199, & 40.

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

§191.17 Transmission systems, gathering systems, and liquefied natural gas facilities. Annual report.

(a) Transmission or Gathering. Each operator of a transmission or a gathering pipeline system must submit an annual report for that system on DOT Form PHMSA 7100.2.1. This report must be submitted each year, not later than March 15, for the preceding calendar year, except that for the 2010 reporting year the report must be submitted by June 15, 2011...

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

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

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

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

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

At the time of the inspection Timberline Energy LLC reported six miles of 4" or less transmission line when the size of those six miles of transmission line is 6" on both the 2010 and 2011 Annual Reports. Please submit Supplemental reports with the correct size of the Transmission line pipe for the years 2010 and 2011.

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 Timberline Energy LLC respond to within 10 days of receipt of this letter and reference 20120831-N on the return correspondence to our office. The response may accept the findings and state a plan of action to address the concerns or, the response may disagree with the findings. If Timberline Energy LLC chooses to disagree with the findings, please justify your position in the response.

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



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



Clark Conklin, Chief Deputy
Fuels Division
Nebraska State Fire Marshal



Received on:
SEP 11 2012
NE State Fire Marshal

46280 Dylan Dr., Suite 200, Novi, MI 48377 • (248) 380-3920, Fax (248) 380-2038

September 10, 2012

Mr. Stephen Lucas, Deputy
Fuels Division, Pipeline Section
Nebraska State Fire Marshal
246 South 14th Street
Lincoln, NE 68508-1804

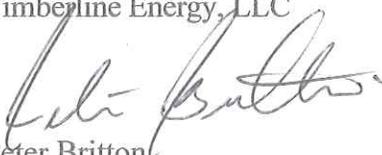
Re: 20120831-N
Timberline LLC in David City, NE

Dear Mr. Lucas,

In response to your letter dated August 31, 2012, Timberline Energy, LLC has revised and resubmitted the 2010 and 2011 annual reports with the correct size of the transmission line pipe. The reports now reflect 6 miles of 6" under Subpart "H". We hope this clarifies the discrepancy found by the Nebraska State Fire Marshal's Office of Pipeline safety section.

If you should have any questions regarding this matter, please contact me at (913) 904-6674.

Sincerely,
Timberline Energy, LLC



Peter Britton
Facility Manager

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

| | | | |
|-------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------|-------------------------|
| Name of Operator: | Timberline LLC | Unit # 39-00-000 | Site HQ |
| Operator Address: Landfill Energy Systems (LES) PMB 353 15941 W. 65 th Street Shawnee, KS 66216 | | Phone Number: (913) 441-3633 Fax Number: Emergency: (402) 820-7914 Federal ID: 32403 | |
| Persons Interviewed | Title | Phone No. | |
| | | | |
| | | | |
| | | | |
| Person conducting Inspection: Stephen Lucas DSFM 8715 | | | Date: 09-10-2012 |
| Description: Code 191.17 Date of Letter: 08-31-2012 Type: NOPV Disposition: Closed | | | |
| Portion of Unit Inspected : Annual Report | | | |

Comments:

In Supplemental Annual Reports for the years 2010 and 2011 dated September 2012 the transmission line originally reported as 4" or less has been changed to transmission line 6" diameter, which is the actual transmission line pipe size.

STATE OF NEBRASKA



Letter of Approval

Dave Heineman
Governor

STATE FIRE MARSHAL
John Falgione
Fire Marshal

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

September 14, 2012

Peter Britton
Timberline LLC Facility Manager
Landfill Energy Systems (LES)
PMB 353
15941 W. 65th Street
Shawnee, KS 66216

RE: Notice of Probable Violation – #20120831-N

Thank you for your correspondence describing your actions to correct our findings detailed in the Notice of Probable Violation dated August 31, 2012. As a result of your actions taken to submit supplemental annual reports for the years 2010 and 2011 and a follow up inspection conducted by this office on September 10, 2012 the issue raised in a Notice of Probable Violation has been resolved.

§191.17 Transmission systems, gathering systems, and liquefied natural gas facilities: Annual report.

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

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

Clark Conklin, Chief Deputy
Fuels Division
Nebraska State Fire Marshal

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

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

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

FUELS DIVISION
 FLST Pipeline
246 South 14th Street
Lincoln, NE 68508-1804
(402) 471-9465

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