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FAX COVER NOTE

DATE: June 7, 2011

TO: Patrick Fahn

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FILE REF:

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RE: Case No. GS-10-602


Copies of the following documents are attached:

- Resolution amending the City of Granville's Operation and Maintenance Plan to permit the use of Permasert® couplings;
- Resolution amending the City of Granville's Emergency Response Plan; and
- Review of Employee Activities Concerning July 10, 2010 Emergency.

These documents, which were adopted and approved by the Granville City Council at its regular meeting last night, are submitted in response to the Public Service Commission's May 5, 2011 Order.

A Pressure Test Report was submitted to the Public Service Commission as an attachment to my June 3, 2011 correspondence requesting an extension of the June 6, 2011 deadline. The City of Granville is still in the process of finalizing a written qualification program that includes the City's covered tasks, the name(s) of individuals who perform those tasks and when and how those individuals were qualified to perform those covered tasks. That information will be forwarded to the Public Service Commission as soon as possible. However, the City of Granville respectfully requests an extension of the deadlines imposed by the Commission's May 5, 2011 Order until July 12, 2011.

Sincerely,
McGEE, HANKLA, BACKES & DOBROVOLNY, P.C.


Bryan Van Grinsven
E-mail: bvangrinsven@mcgeelaw.com

psc2
Enclosures

cc: City of Granville

RESOLUTION CITY OF GRANVILLE, NORTH DAKOTA

The City of Granville, North Dakota (the "City") adopted an Operation and Maintenance Plan to ensure that its LP gas system is operated safely and reliably according to written procedures governing the operation and maintenance of the LP system under ordinary circumstances and in the event of an emergency. These goals are accomplished, in part, by maintaining up-to-date procedures for the operation and maintenance of the LP gas system.

After due consideration, the Granville City Council has concluded that the use of Permasert® couplings has been proven by test and/or experience to produce strong, gastight joints and should be deemed to be a qualified and approved procedure for joining similar and dissimilar plastic pipe under the City's Operation and Maintenance Plan.

It is, therefore, RESOLVED by the City of Granville, North Dakota that, effective immediately, Section 6.2A (Fusion of Similar and Dissimilar Plastic Pipe) of "Adding New Customers" and Appendix G of the City's Operation and Maintenance Plan are amended to permit the use of Permasert® couplings, in accordance with the recommended procedures issued by the manufacturer, to join similar and dissimilar plastic pipe and the materials attached to this Resolution shall be made part of Appendix G of the City's Operation and Maintenance Plan.

Dated this 6 day of June 2011.

6-7-11

Ralph Larson
Mayor or Council President

Nancy A. Mueller
City Auditor

Permasert® Mechanical Couplings

Installation Guide

- 1 Cut the PE piping so that the end is square.



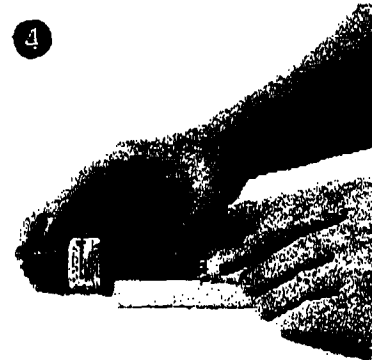
- 2 Wipe with a clean dry cloth. Inspect the last several inches of PE piping for damage. If any, cut again to remove damaged area.



- 3 Use the Elster Perfection chamfering tool for a proper O.D. chamfer. This chamfer permits the PE piping to be completely stabbed without affecting the internal seals.

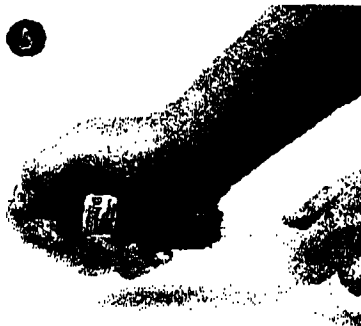


- 4 Use a soft felt tip pen, crayon or grease pencil to mark the stab depth as indicated on your Permasert package instructions. The stab depth is the approximate distance from the edge of the fusion bead to the end of the fitting body.



- 5 Stab the PE piping into the Permasert fitting so that the stab depth mark is visible:

- Within 1/8" of moisture seal on 1/2" CTS and 1" CTS sizes
- Within 1/4" on all other sizes through 1-1/4" CTS
- Approximately 3/8" on 1-1/4" IPS and 2" IPS sizes



The PE piping must bottom out in the fitting. Pressure test the joint in accordance with your standard procedures. The reference mark can move outward up to an additional 3/8" during pressure testing.



elster
Perfection

Permasert® Mechanical Repair Couplings

Installation Guide

- 1 The Telescoping Permasert coupling outlet makes repairing a damaged service line easier. The specific length of pipe to be cut out is indicated on the "CAUTION" labeled side of the repair coupling and in the instructions included with the repair coupling.

- 2 Wipe the remaining pipe ends with a dry, clean cloth. Inspect the last several inches of the pipe ends for damage. Use the Elster Perfection chamfering tool for a proper O.D. chamfer. This chamfer permits the pipe to be completely stabbd without affecting the internal seals.

- 3 Mark stab depths at the proper distance from the chamfered ends. The stab depth is determined by measuring the distance from the end of the coupling outlet to the second fusion bead on the "CAUTION" labeled end of the coupling, and to the fusion bead on the opposite end.

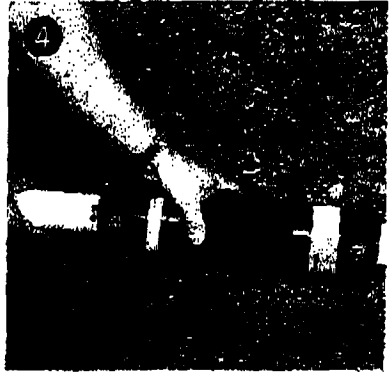
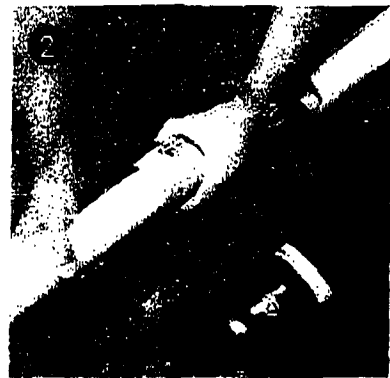
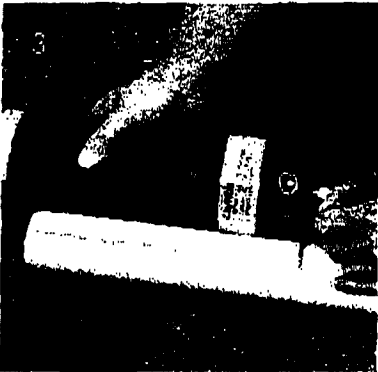
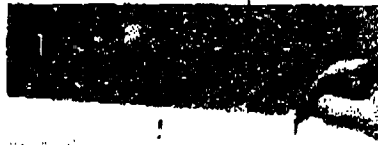
Note: DO NOT pull out stiffener, this will make the coupling outlet nonfunctional.

- 4 Stab a pipe end into the "CAUTION" labeled end of the coupling so that the stab depth mark is just visible. The pipe end must bottom out in the coupling.

Note: "CAUTION" labeled end MUST be stabbd first.

To complete the second stab, the Permasert's telescoping stiffener allows the coupling to slide toward the other pipe end and stab the coupling. The stab depth mark on this side will look just like all other Permasert couplings, just visible. Notice how the stab depth mark is several inches away from the coupling on the "CAUTION" labeled end due to the telescoping stiffener.

Pressure test the finished joint according to your standard operating procedure.



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Perfection

RESOLUTION CITY OF GRANVILLE, NORTH DAKOTA

The City of Granville, North Dakota (the "City") adopted an Emergency Response Plan to identify those actions to be followed by designated emergency personnel in the event of an emergency involving or affecting the City's propane system in order to protect the community from hazards associated with the City's propane system.

After due consideration, the Granville City Council has concluded that an annual review of the City's Emergency Response Plan with the McHenry County Sheriff, the Granville Fire Department, the Propane Commissioner of the City of Granville, the City Auditor and the City's Maintenance Supervisor will further ensure that designated emergency personnel are familiar with the provisions of the plan. The Granville City Council has also concluded that newly-hired designated emergency personnel must become familiar with and certify that they have received a copy of the City's Emergency Response Plan.

It is, therefore, RESOLVED by the City of Granville, North Dakota that, effective immediately, Item 7 of Section A. (Emergency Personnel Training) of Article VII (Training and Public Information) of the City's Emergency Response Plan shall be amended to provide as follows:

"7. Emergency training will be conducted at least once a year. The emergency procedures of this plan will be reviewed at least annually with the McHenry County Sheriff, the Granville Fire Department, the Propane Commissioner of the City of Granville, the City Auditor and the Maintenance Supervisor. Newly-hired designated emergency personnel must become familiar with and must certify that they have received and reviewed a copy of this plan."

All other provisions of the City's Emergency Response Plan will remain unchanged.

Dated this 7 day of June 2011.


Mayor or Council President


City Auditor

REVIEW OF EMPLOYEE ACTIVITIES CONCERNING JULY 10, 2010 EMERGENCY

On Saturday, July 10, 2010, at approximately 11:30 a.m. John Morrison (Morrison), the Mayor of the City of Granville, North Dakota (Granville) was notified that a Granville LP service line had been accidentally cut by a resident operating a trenching machine on their property. When Morrison arrived at the residence, the trenching machine had been shut down and moved away from the line. There were no vehicles running and Morrison observed no other ignition sources in the area. Tim Krout, a former Granville Propane Commissioner familiar with the Granville LP plant had already shut off the plant to prevent LP gas from escaping.

Karlain Drader (Drader), Granville's maintenance employee arrived at the scene after Morrison. Drader observed no running equipment and no ignition sources. On July 10, 2010 Drader had been on the job for only twelve (12) days, having been hired on June 28, 2010. The City contacted Michael Zerr of Coolfish Services, Inc. (Zerr) to repair the damaged LP line. However, Zerr was unavailable until Monday, July 12, 2010.

On July 12, 2010, Zerr, accompanied by Drader arrived on-site to inspect and repair the damaged line. Before inspecting the line, Zerr applied a proper squeeze-off tool upstream of the damaged section of line. However, upon inspection, it was determined that parts would have to be ordered to make the necessary repairs. The parts were ordered July 12, 2010 but did not arrive until July 14 or 15, 2010.

On July 15, 2010 Zerr, assisted by Drader repaired the damaged service line. The damaged pipe was removed and repairs were made with a short length of PE pipe and two Permasert® couplings. The repair was checked with an air pressure test (85 p.s.i.) and the fittings were soap tested prior to re-establishing service. No additional repairs to the line have been required.

Pursuant to an Order of the North Dakota Public Service Commission, the City conducted a review of employee activities that occurred between July 10 and July 15, 2010 and reviewed whether those activities complied with the City's Emergency Response Plan. The conclusions of that review are as follows:

1. An emergency cell phone was available and functioning as required by the City's Emergency Response Plan.
2. On July 10, 2010 the City's maintenance employee had not been properly trained as a designated emergency responder, having been hired by the City just 12 days before.
3. On July 10, 2010 when the Mayor and the City's maintenance employee arrived at the scene the gas supply had already been shut off and no ignition sources were present. However, it is unclear whether a fire extinguisher was available at the scene. A record, indicating that the July 10, 2010 emergency was classified according to the City's Emergency Response Plan, that potential ignition sources were removed from the scene and that a fire extinguisher was available on site should have been prepared and placed in the City's files.

4. The affected area of the LP system was shut down by an individual familiar with the location of key valves.
5. The City does have proper squeeze-off tools which should be utilized in the event of a future emergency. However, a wood clamp was used as a squeeze-off tool to prevent leakage of LP gas. That wood clamp remained in place until July 12, 2010. Proper squeeze-off tools should have been immediately applied to replace the wood clamp to prevent leakage of LP gas.
6. The damaged service line was repaired using a short length of PE pipe and two Permasert couplings. The repaired line was then checked with an air pressure test (85 PSI) and the fittings were soap tested prior to re-establishing service. A Pressure Test Report, showing the amount of pressure applied to the damaged service line should have been placed in the City's records. Although the use of Permasert mechanical couplings to repair the damaged service line is now permitted under the City's Operation and Maintenance Plan, at the time, it was not a qualified procedure. Therefore, the damaged service line should have been prepared using a fusion procedure that was qualified.
7. The City's maintenance employee was not sufficiently qualified to perform service repairs on July 15, 2010 (although she subsequently received significant training). Michael Zerr, the individual hired by the City to repair the damage service line, does not appear to have been re-qualified for plastic fusion nor had he been qualified under the City's OQ program.
8. On July 15, 2010, the City's maintenance employee had not been qualified through evaluation under the City's operator qualification (OQ) program to perform covered tasks.
9. After the damaged service line was repaired, service was not properly restored by shutting down affected services at the risers and tagging those services until access to the buildings could be achieved and pilots could be properly re-lit.
10. A review of the activities of City employees in response to the July 10, 2010 emergency should have been performed shortly after the incident to evaluate whether the City's emergency procedures were effectively followed.

6-7-11
Date

Ralph Larson
Mayor

6-7-2011
Date

Nancy A Mueller
Auditor

A copy of this report will be placed in the City's records.