

INTERMOUNTAIN GAS COMPANY

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IDAHO PUBLIC
UTILITIES COMMISSION

March 21, 2018

Mr. Joe Leckie
Executive Administrator
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

Dear Mr. Leckie,

Intermountain Gas Company (IGC) does not dispute the probable violations of the pipeline safety regulations Title 49, Code of Federal Regulations, Part 192 and IGC's Standard Operating Procedures or the findings of the Idaho Public Utility Commission (IPUC) referenced in your March 12, 2018 letter. The provable violations are listed below:

PROBABLE VIOLATIONS

1. **49 CFR §192.605 (a) Procedural manual for operations, maintenance, and emergencies.**

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

IGC's Standard Operating Procedure 4801 5.4 Casings 5.4.4 (2.)

If option (1) is impractical...the casing may be monitored with leak detection equipment at intervals not to exceed those prescribed by O.P.S. in sections 192.705 and 192.721.

2. **49 CFR §192.721 (b)(2) Distribution systems: Patrolling.**

Outside business districts, at intervals not exceeding 7 ½ months, but at least twice each calendar year.

Finding(s)

It was revealed in the memo that the leak surveys on shorted casings (72501110 and 82700901) were not monitored with leak detection equipment at the intervals required by standard operating procedure 4801 – Cathodic Protection. The previous leak survey for this portion of the distribution system was completed in April of 2017. To be in compliance, the leak survey must have been completed by the third week of November 2017. The surveys were completed in April and ultimately “closed” inadvertently by the Corrosion Technician in IGC's compliance software (the software automatically schedules a new 6-month survey to be accomplished). This subsequently did not generate the next 6-month survey and therefore IGC was not in compliance. After discovering the error, IGC conducted a survey of both casings (Feb 2, 2018).

The standards and compliance manager informed us that IGC is implementing changes to the process that will eliminate the possibility of such an event happening in the future.

As mentioned in the IPUC findings, shortly after discovering the error on February 1, 2018, IGC conducted a leak survey of both casings on February 2, 2018. IGC also conducted a thorough review of the shorted casing leak survey scheduling process. The review included an analysis of the compliance software IGC utilizes to generate shorted casing leak survey orders. The following outlines the process in place at the time of the error and the new process that IGC implemented on March 12, 2018.

Previous Shorted Casing Process

When a casing short is identified during the annual inspection (typically April), the compliance software automatically generates a Casing Deficiency and either a 6 Month Shorted Casing Leak Survey or a Business District Shorted Casing Leak Survey (SCLS).

If clearing the shorted casing is impractical, the process continues at the required intervals until the following March at which time the Corrosion Technician completes the Casing Deficiency as “closed unresolved”.

The purpose of the “closed unresolved” option was to allow the compliance software to close the Casing Deficiency and SCLS from the previous year prior to the next Annual Inspection.

New Shorted Casing Process

When a casing short is identified during the annual inspection, the compliance software automatically converts the Annual Inspection to the appropriate SCLS.

If the casing short is cleared, the compliance software automatically converts the SCLS back to an Annual Inspection and ends the SCLS.

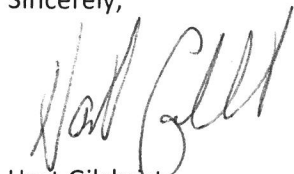
If the casing short remains impractical, the SCLS continues indefinitely.

The new SCLS form has the same inspection criteria as the Annual Inspection.

IGC is confident the new shorted casing process eliminates the potential of not monitoring a shorted casing with leak survey equipment at the intervals required by IGC’s standard operating procedure 4801 – Cathodic Protection.

If you have any questions concerning this response or the new shorted casing process, please contact me at (208) 377-6086.

Sincerely,



Hart Gilchrist
Vice President of Operations