

INTERMOUNTAIN GAS COMPANY

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IDAHO PUBLIC UTILITIES COMMISSION

December 21, 2018

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

Subject: Response to November 16, 2018 Notice of Probable Violations – Intermountain Gas Company (IGC) self-reported non-compliance

Dear Mr. Leckie,

This letter is intended to address the November 16, 2018 Notice of Probable Violations identified by Idaho Public Utilities Commission (IPUC) as a result of IGC's self-reporting of three separate incidents.

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 conducting operations and maintenance activities and for emergency response...
2. **IGC's Standard Operating Procedure 4801 Cathodic Protection 5.1 Isolation Districts (5.1.3)**
All Isolation Districts shall be tested once each calendar year, not to exceed 15 months, to determine if they meet the criteria for cathodic protection. ...
3. **49 CFR §192.465 (a) External corrosion control: Monitoring.**
Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.465(a).
4. **IGC's Standard Operating Procedure 4803 Atmospheric Corrosion Control 14. Mitigation (14.1.1)**
Corrosion Below Stop – 3 months.

Finding(s)

It was revealed in the memo that in May 2018 it was discovered an Annual Cathodic Test Station Survey was missing, an investigation revealed that isolation district 7411151 was not tested during the calendar years of 2016 and 2017 required by standard operating procedure 4801 – Cathodic Protection and §192.465 External corrosion control. The previous survey for this portion of the distribution system was completed on March 31, 2015. To be in compliance, the survey must have been completed in 2016 and 2017. This subsequently falls under §192.605(a) preparing and following written procedures and therefore IGC was not in compliance. After discovering the error, IGC conducted the survey with a pipe to soil reading of -0.85 (May 4, 2018).

The memo also revealed that there were two instances of required deficiency mitigation that was not met within the company's 3-month requirement per operating procedure 4803. This also falls under 192.605(a) preparing and following written procedures and therefore IGC was not in compliance. Upon discovery, IGC created deficiency orders and they were both mitigated (August 29, 1028).

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

Intermountain Gas Response

Intermountain Gas Company 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 nor the findings of the Idaho Public Utilities Commission (IPUC) referenced in your November 16, 2018 letter. As mentioned when IGC reported the three instances of noncompliance on September 25, 2018, IGC has created audit processes to ensure any similar occurrence is identified prior to Part 192 or company procedure deadlines. Additionally, full record reviews were conducted to confirm the missed deadlines were isolated to the three instances reported on September 25, 2018.

Please contact Josh Sanders at (701) 222-7773 with questions or comments.

Respectfully Submitted,



Pat Darras
Vice President, Engineering & Operations Services
Intermountain Gas Company