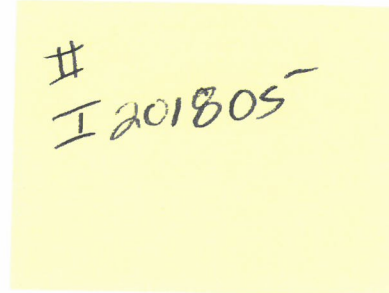




November 16, 2018

CERTIFIED MAIL

Pat Darras
Intermountain Gas Company
400 N 4th St.
Bismarck, ND 58501



Dear Mr. Darras:

On August 21-23, 2018 the Idaho Public Utilities Commission, Pipeline Safety Division, pursuant to Chapter 601 of Title 49, United States Code, conducted the Nampa #2 field inspection of Intermountain Gas Company's (IGC) equipment in the Owyhee District.

During the inspection it was observed that some of the Idaho natural gas distribution system owned and operated by IGC was out of compliance on three items. This results in probable violations of the pipeline safety regulations Title 49, Code of Federal Regulations, Part 192. Those probable violations are listed below:

PROBABLE VIOLATIONS

1. **49 CFR §192.323 (d) Casing.**
Each casing used on a transmission line or main under a railroad or highway must comply with the following: If vents are installed on a casing, the vents must be protected from the weather to prevent water from entering the casing.

Finding:

During the inspection it was noted that one vent (# 267-01-315) was completely buried and three others were within a few inches of being in the same condition. The concern is during inclement weather either snow would cover vent or water intrusion.

2. **49 CFR §192.707 (a)(1) Line markers for mains and transmission lines.**
... a line marker must be placed and maintained as close as practical over each buried main and transmission line: At each crossing of a public road and railroad; and...

Finding:

During the inspection it was noted that along Columbia driving to reg station 40107 there were no visual line markers. On one end a carsonite was found flat on the ground, but on the other end there were no markers.

3. **49 CFR § Appendix D of Part 192 – Criteria for Cathodic Protection and determination of measurements.**

I. Criteria for cathodic protection – A. Steel... (1) A negative (cathodic) voltage of at least 0.85 volt, with reference to a saturated copper-copper sulfate half-cell. Determination of this voltage must be made with the protective current applied, and IAW sections II and IV of this appendix.

Finding:

During the inspection it was noted that at the following locations CP readings were unable to be ascertained: Casing 267-01-305 and Odorizer 30070. CP technician believes possible cause due to broken lead.

Under Title 6, Idaho Statutes, You are subject to civil penalty under 61-712A. Civil penalty for violation. Any person who violates or fails to comply with, or who procures, aids or abets any violation of Title 61 of Idaho Code, governing safety of pipeline facilities and the transportation of gas, or of any order, decision, rule or regulation duly issued by the Idaho public utilities commission governing the safety of pipeline facilities and the transportation of gas, shall be subject to a civil penalty of not to exceed two thousand dollars (\$2,000) for each violation for each day that the violation persists. However, the maximum civil penalty shall not exceed two hundred thousand dollars (\$200,000) for any related series of violation.

A reply to this letter is required no later than 45 days from the date of this letter. Please send all documents to our office at P.O. Box 83720-0074, Boise, Idaho 83720-0074. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available.

You have a right to appear before the Pipeline Safety Division in an informal conference before January 11, 2019 at the Commission's offices at 472 W. Washington St, Boise. You have the right to present relevant documents to the Commission at the conference. At the informal conference, the Commission will make available to you any evidence which indicates that you may have violated the law, and you will have the opportunity to rebut this evidence. If you intend to request an informal conference, please contact the Pipeline Safety Division no later than December 28, 2018.

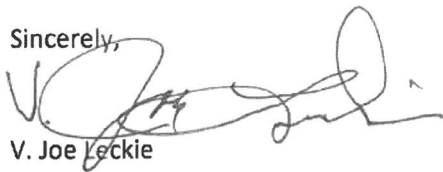
If you wish to dispute the allegations in this notice, but do not want the informal conference, you may send to the Pipeline Safety Division at the above address a written reply to this notice. This written reply must be filed with the Commission on or before January 4, 2019, and must be signed by a Company Official. The reply must include a complete statement of all relevant facts including a complete description of the corrective action you took to correct the non-compliance and actions to be taken to prevent future repeat failures in these areas of concern.

If you do not respond to this notice, as specified above, by January 4, 2019, you will be deemed to have admitted the allegations and will be subject to statutory civil penalties.

If you have any questions concerning this notice, please contact me at (208) 334-0331. Also all written responses should be addressed to me at the above address or you may fax your response to (208) 334-3762.

We appreciate your attention to this matter and your effort to promote pipeline safety.

Sincerely,

A handwritten signature in black ink, appearing to read 'V. Joe Leckie', with a large, stylized initial 'V' and a long, sweeping horizontal stroke.

V. Joe Leckie

Executive Director

Idaho Public Utility Commission

