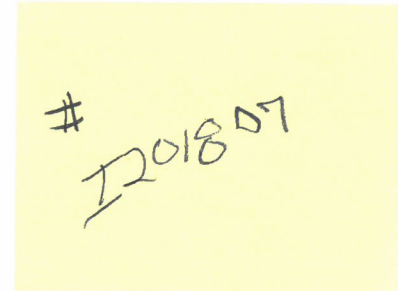




December 4, 2018

CERTIFIED MAIL

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



Dear Mr. Darras:

On November 14, 2018, the Idaho Public Utilities Commission, Pipeline Safety Division, pursuant to Chapter 601 of Title 49, United States Code, conducted a Procedural Audit on the Liquefied Natural Gas (LNG) facility of Intermountain Gas Company's (IGC) equipment in the Owyhee District.

The inspection showed IGC's LNG system was out of compliance on certain items, resulting in probable violations of the pipeline safety regulations at Title 49, Code of Federal Regulations, Parts 191 and 193. See 49 CFR § 190.207. The probable violations are as follows:

PROBABLE VIOLATIONS

- 49 CFR § 193.2011 Reporting.**
Incidents, safety-related conditions, and annual pipeline summary data for LNG plants or facilities must be reported in accordance with the requirements of Part 191 of this subchapter.

49 CFR § 191.15(d) [...] LNG [...] Incident report.
Supplemental report. Where additional related information is obtained after a report is submitted under paragraph (a), (b) or (c) of this section, the operator must make a supplemental report as soon as practicable with a clear reference by date to the original report.

Finding:
IGC's LNG facility procedures do not contain a supplemental reporting requirement in line with 49 CFR §§ 191.15(d) and 193.2011.
- 49 CFR § 191.22(c) National Registry of Pipeline and LNG Operators.**
Changes. Each operator of a gas pipeline, gas pipeline facility, underground natural gas storage facility, LNG plant, or LNG facility must notify PHMSA electronically through the National Registry of Pipeline, Underground Natural Gas Storage Facility, and LNG Operators at <http://opsweb.phmsa.dot.gov> of certain events.

Finding:

The LNG facility procedures do not contain notification requirements required by 49 CFR § 191.22(c).

3. **49 CFR § 193.2619(c)(2) Control systems.**

Control systems that are intended for fire protection must be inspected and tested at regular intervals not to exceed 6 months.

Finding:

IGC's Procedure 4508 Section(s) 2.7.1.3 and 2.7.2.3 do not include the "not to exceed 6 months" requirement.

4. **49 CFR § 193.2629 Buried or Submerged Components.**

- a. *Each buried or submerged component that is subject to external corrosive attack must be protected from external corrosion by*
- b. *Where cathodic protection is applied, components that are electrically interconnected must be protected as a unit.*

49 CFR § 193.2633 Interference Currents

- a. *Each component that is subject to electrical current interference must be protected by a continuing program to minimize the detrimental effects of currents.*
- b. *Each cathodic protection system must be designed and installed so as to minimize any adverse effects it might cause to adjacent metal components.*
- c. *Each impressed current power source must be installed and maintained to prevent adverse interference with communications and control systems.*

Finding:

The inspection showed that the above corrosion and interference requirements are being managed by the corrosion technician in the Nampa District. This fact must be mentioned in a procedure pertaining to the LNG plant.

5. **49 CFR § 193.2801 Fire Protection.**

Each operator must provide and maintain fire protection at LNG plants according to sections 9.1 through 9.7 and section 9.9 of NFPA-59A-2001.

NFPA-59A, Section 9.9.1

Manual emergency depressurizing means shall be provided where necessary for safety. Portions of the plant that can be isolated from storage tanks or other sources of supply can be depressurized by venting to the atmosphere. The discharge shall be directed so as to minimize exposure to personnel or equipment.

NFPA-59A, Section 9.9.2

Taking an LNG container out of service shall not be regarded as a normal operation and shall not be attempted on any routine basis. All such activities shall require the preparation of detailed procedures.

Finding:

The inspection showed that Section 9.9.1 of NFPA 59A could be covered by actions of plant employees but this is not stated in any procedure. Further, Section 9.9.2 of NFPA 59A is not listed or covered in any procedure.

REQUESTED ACTION

A reply to this letter, as outlined below, 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 may be a public record, subject to disclosure under Idaho's Public Records Law. See Idaho Code § 74-101-126.

You have a right to appear before the Pipeline Safety Division in an informal conference before March 1, 2019, at the Commission's offices at 472 W. Washington St, Boise. You have the right to present relevant documents to the Commission at that 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. See IDAPA 31.01.01.21-26. If you intend to request an informal conference, please contact the Pipeline Safety Division no later than January 18, 2019.

If you wish to dispute the allegations in this notice, but do not want an informal conference, you may send the Pipeline Safety Division a written reply to this notice. This written reply must be filed with the Commission on or before January 18, 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(s) taken and any and all actions to be taken to prevent future failures in these areas of concern.

If you do not respond to this notice, as specified above, by January 18, 2019, you may be subject to statutory civil penalties and further enforcement, as allowed by law. Idaho Code § 61-712A states that "[a]ny person who violates or fails to comply with, or who procures, aids or abets any violation of title 61, 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."

If you have any questions concerning this notice, please contact me at (208) 334-0321. Also all written responses should be addressed to me at the above address or you may fax your response to (208) 334-4045. We appreciate your attention to this matter and your effort to promote pipeline safety.

Sincerely,



Darlin M. Ulmer

Pipeline Safety, Program Manager
Idaho Public Utility Commission

