



December 5, 2018

CERTIFIED MAIL

Hal Chapelle
Northwest Gas Processing
15021 Katy Frwy, Suite 400
Houston, TX 77094

Dear Mr. Chapelle:

On October 23-24, 2018, the Idaho Public Utilities Commission, Pipeline Safety Division, pursuant to Chapter 601 of Title 49, United States Code, conducted a Public Awareness Program Audit, Drug & Alcohol Inspection, Operator Qualification Inspection, Records Inspection and Field review on the Natural Gas facility of Northwest Gas Processing's (NWGP) equipment in the state of Idaho.

The inspection showed that NWGP's Idaho system was out of compliance on certain items, resulting in probable violation of the pipeline safety regulations at Title 49, Code of Federal Regulations, Parts 192 and 199. See 49 CFR § 190.207. The probable violations are as follows:

PROBABLE VIOLATIONS

1. 49 CFR § 199.241 Training for Supervisors.

Each operator shall ensure that persons designated to determine whether reasonable suspicion exists to require a covered employee to undergo alcohol testing under 199.225(b) receive at least 60 minutes of training on the physical, behavioral, speech, and performance indicators of probable alcohol misuse.

49 CFR § 199.117(a)(4) Recordkeeping.

Records confirming that supervisors and employees have been trained as required by this part must be kept for at least 3 years.

Finding:

The inspection showed that no records were produced when requested. NWGP stated it was unable to locate training records maintained by a former employee.

2. 49 CFR § 192.745(a) Valve maintenance: Transmission lines.

Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.

Finding:

The inspection showed that no records were produced when requested. NWGP stated it was unable to locate records maintained by a former employee.

3. 49 CFR § 192.465 External corrosion controls: monitoring.

(a) 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 192.463. [...]

(b) Each cathodic protection rectifier or other impressed current power source must be inspected six times each calendar year, but with intervals not exceeding 2 ½ months.

Finding:

The inspection showed that no records were produced when requested. NWGP stated it was unable to locate records maintained by a former employee.

4. 49 CFR § 192.481(a) Atmospheric corrosion control: Monitoring.

Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows: onshore, at least once every 3 calendar years, but with intervals not exceeding 39 months.

Finding:

The inspection showed that no records were produced when requested. NWGP stated it was unable to locate records maintained by a former employee.

5. 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.

NWGP Gas Operations & Maintenance Plan, Section 4.1 Location of Records.

Northwest will maintain records associated with this manual at Corporate Headquarters, Field Offices, and www.SafePipe.com which is backed up every 24 hours to prevent loss of records.

Finding:

The inspection showed that no records were produced when requested. NWGP stated it was unable to locate records maintained by a former employee.

6. 49 CFR § 192.616(d),(e), and (f) Public Awareness.

(d)The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:

(1) Use of a one-call notification system prior to excavation and other damage prevention activities;

(2) Possible hazards associated with unintended releases from a gas pipeline facility;

(3) Physical indications that such a release may have occurred;

(4) Steps that should be taken for public safety in the event of a gas pipeline release; and

(5) Procedures for reporting such an event.

(e) The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations.

(f) The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports gas.

Finding:

In the NWGP, LLC. Public Awareness Program (PAP) dated 1 May, 2018 (hereinafter the NWGP PAP) Section 5.2 Third-Party Vendors Used to Identify Stakeholders was missing information. The contact/address lists for the Northwest Stakeholder Audiences was not included in the PAP. See Question 4 on PHMSA Form 21).

7. 49 CFR § 192.616(d),(e), and(f) Public Awareness (as referenced above in Probable Violation 6).

Finding:

In the NWGP PAP dated 1 May, 2018, Section 5.4 Affected Public, and Section 5.7 Excavators, no Public Awareness & Damage Prevention Recordkeeping Reports were included. Therefore, the inspection could not validate that Audience Identification Records exist. See Question 5 on PHMSA Form 21.

8. 49 CFR § 192.616(c) Public Awareness.

The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

API RP 1162 Table 2-1.

Summary Public Awareness Communications for Hazardous Liquids and Natural Gas Transmission Pipeline Operators.

API RP 1162 Table 2-3.

Summary Public Awareness Communications for Gathering Pipeline Operators.

Findings:

- 8.1. Documentation of direct mailings that should include maps showing the “could affect” zone as well as a listing of each person’s name and address that was targeted. No evidence of this documentation was provided during the inspection.
- 8.2. Face to face meetings should include name, address and signature for each person met with, the topics of discussion and any material they have requested. No evidence of this documentation was provided during the inspection.
- 8.3. Documentation should include copies of all business reply cards received as well as contact address & personnel changes on the Stakeholder listing. No evidence of this documentation was provided during the inspection.
- 8.4. No evidence of the address/contact list for mail distribution, and proof of mail distribution to the Stakeholders was provided during the inspection. Additionally the invitation list, attendance list and proof of invitation mailings to the Emergency Officials and Public Officials were not included in the PAP. See Question 10 on PHMSA Form 21.

9. **49 CFR § 192.605(a) Procedural manual for operations, maintenance, and emergencies.**

(a) 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. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

49 CFR § 192.615(c)(1),(2),(3), and (4); Emergency Plans.

(c) Each operator shall establish and maintain liaison with appropriate fire, police, and other public officials to:

- (1) Learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency;*
- (2) Acquaint the officials with the operator's ability in responding to a gas pipeline emergency;*
- (3) Identify the types of gas pipeline emergencies of which the operator notifies the officials; and*
- (4) Plan how the operator and officials can engage in mutual assistance to minimize hazards to life or property.*

49 CFR § 192.616(c) Public Awareness.

The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

Findings:

Section 6.4, Liaison with Emergency Officials, of the NWGP PAP requires information describing the ongoing relationship between the operator and local emergency response officials in order to help prevent incidents and assure preparedness in emergencies. This information was not included in the NWGP PAP. See Question 11 on PHMSA Form 21.

Further the NWGP PAP does not show the establishment or maintaining of a liaison with appropriate fire, police and other public officials. See Question 11 on PHMSA Form 21.

10. **49 CFR § 192.616(c) Public Awareness, as stated above in Probable Violation 10.**

49 CFR § 192.616(i) Public Awareness.

The operator's program documentation and evaluation results must be available for periodic review by appropriate regulatory agencies.

API RP 1162 8.3 Measuring Program Implementation.

The operator should complete an annual audit or review of whether the program has been developed and implemented according to the guidelines in this RP. The purpose of the audit is to answer the following two questions: • Has the Public Awareness Program been developed and written to address the objectives, elements and baseline schedule as described Section 2 and the remainder of this RP? • Has the Public Awareness Program been implemented and documented according to the written program? Appendix E includes a sample set of questions that will aid an operator in auditing the program implementation process. The operator should use one of the following three alternative methodologies when completing an annual audit of program implementation. • Internal self-assessments using, for example, an internal working group, or • Third-party audits

where the evaluation is undertaken by a third-party engaged to conduct an assessment and provide recommendations for improving the program design or implementation, or

- Regulatory inspections, undertaken by inspectors working for federal or state regulators who inspect operator pipeline programs subject to pipeline safety regulations.

Finding:

Section 9.13, of the NWGP PAP, Measuring Program Implementation & Effectiveness, should show the annual audit/review and which of the three alternative methodologies was used in completing the audit/review. See Question 16 on PHMSA Form 21.

11. 49 CFR § 192.616(c) Public Awareness, (as referenced above in Probable Violation 10. API RP 1162 8.4 Measuring Program Effectiveness.

Operators should assess progress on the following measures to assess whether the actions undertaken in implementation of this RP are achieving the intended goals and objectives:

- Whether the information is reaching the intended stakeholder audiences
- If the recipient audiences are understanding the messages delivered
- Whether the recipients are motivated to respond appropriately in alignment with the information provided
- If the implementation of the Public Awareness Program is impacting bottom-line results (such as reduction in the number of incidents caused by third-party damage).

The following four measures describe how the operator should evaluate for effectiveness: 8.4.1 Measure 1-Outreach: Percentage of Each Intended Audience Reached with Desired Messages This is a basic measurement indicating whether the operator's public awareness messages are getting to the intended stakeholders. A baseline evaluation program should establish a methodology to track the number of individuals or entities reached within an intended audience (e.g., households, excavating companies, local government, and local first responder agencies). Additionally, this measure should estimate the percentage of the stakeholders actually reached within the target geographic region along the pipeline. This measurement will help to evaluate the effectiveness of the delivery methods used.

Finding:

Section 9.13 of the NWGP PAP, Measuring Program Implementation & Effectiveness, requires Forms 10.8-10.11 – effectiveness questionnaires from all stakeholders used to measure program effectiveness. NWGP did not provide evidence of these records during the inspection. See Question 18 on PHMSA Form 21.

12. 49 CFR § 192.616(c) Public Awareness, as referenced above Probable Violation 10. API RP 1162 8.4.1 Measure 1-Outreach: Percentage of Each Intended Audience Reached with Desired Messages.

This is a basic measurement indicating whether the operator's public awareness messages are getting to the intended stakeholders. A baseline evaluation program should establish a methodology to track the number of individuals or entities reached within an intended audience (e.g., households, excavating companies, local government, and local first responder agencies). Additionally, this measure should estimate the percentage of the stakeholders actually reached within the target geographic region along the pipeline. This measurement will help to evaluate the effectiveness of the delivery methods used.

- Supplemental measures: Other indicators that an operator may want to consider tracking as a supplement to measuring program outreach effectiveness include: - Track the number of inquiries by phone to operator personnel or to the public awareness portions of an operator's website (however operators are cautioned that unless such information is specifically sought by the operator, this measure would not

define if the caller or website viewer is a member of the target stakeholder audience nor whether this measure includes counts of repetitive website reviewers) - Track input received via feedback postcards (often called reply or bounce-back cards) from representatives of the stakeholder audience at events or meetings, sent by mail, or as a result of the operator's canvassing of the rights-of-way - Track the number of officials or emergency responders who attend emergency response exercises (this is an indicator of interest and the opportunity to gain knowledge).

Finding:

Examples and evidence of all the measures taken under Section 9 of the NWGP PAP, Implementation of Program Measure 1, were not provided during the inspection. See Question 19 on PHMSA Form 21.

13. **49 CFR § 192.616(c) Public Awareness as referenced above.**

API RP 1162 8.4.2 Measure 2-Understandability of the Content of the Message.

This measure would assess the percentage of the intended stakeholder audience that understood and retained the key information in the message received. This measurement will help to evaluate the effectiveness of the delivery media and the message style and content. This measurement will also help to assess the effectiveness of the delivery methods used. Pre-test materials: Operators should pre-test public awareness materials for their appeal and the messages for their clarity, understandability and retain-ability before they are widely used. A pre-test can be performed using a small representative audience, for example, a small sample group of operator employees not involved in developing the Public Awareness Program, a small section of the intended stakeholder audience or others (often referred to as focus groups described more fully in Appendix E). Survey target stakeholder audiences: An effective method for assessing understandability is to survey the target stakeholder audience in the course of face-to-face contacts, telephone or written surveys. Sample surveys are included in Appendix E. Factors to consider when designing surveys include: - Sample size appropriate to draw general conclusions - Questions to gauge understandability of messages and knowledge or survey respondent - Retention of messages Comparison of the most effective means of delivery. Program effectiveness surveys are meant to validate the operator's methodologies and the content of the materials used. Upon initial survey, improvements should be incorporated into the program based on the results. Once validated in this initial manner, a program effectiveness survey is only required about every four years. However, when the operator introduces major design changes in its Public Awareness Program a survey to validate the new approaches may be warranted. An operator may choose to develop and implement its own program effectiveness survey in-house; have a survey designed with the help of third-party survey professionals; or participate in and use the results of an industry group or trade association survey. If the latter approach is used, the industry or trade-association survey should allow the operator to assess the results relevant to the operator's own pipeline corridors and Public Awareness Programs. Appendix E Additional Guidelines for Undertaking Evaluations.

Finding:

No evidence was provided that NWGP PAP Forms 10.8-10.11 were sent out and returned in reference to Pre-test materials/Survey target stakeholder audiences.

Additionally, examples of items mentioned in API RP 1162 dated December 2003 *Appendix E: Additional Guidelines for Undertaking Evaluations that have been used to measure the understandability of message content* were not provided. See Question 20 on PHMSA Form 21.

14. **49 CFR § 192.616(c) Public Awareness as referenced above in Probable Violation 10.**
API RP 1162 8.5 Summary of Baseline Evaluation Program.

Finding:

No proof or evidence of changes or modifications to the program based on results and findings of the program effectiveness evaluations were provided as a result of the inspection. See Questions 23 on PHMSA Form 21.

REQUESTED ACTIONS

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 4, 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 21, 2019.

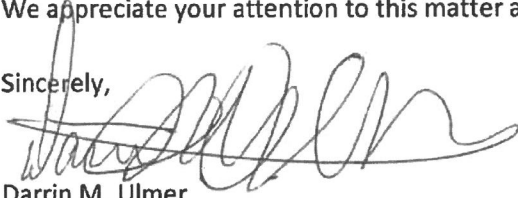
If you wish to dispute the allegations in this notice, but do not want an informal conference, you may send the Pipeline Safety Division a written reply to this notice. This written reply must be filed with the Commission on or before January 21, 2019, and must be signed by a Company Official. The reply 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 21, 2019, you may be subject to statutory civil penalties and further enforcement, as allowed under Idaho 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,

A handwritten signature in black ink, appearing to read "Darrin M. Ulmer", written over a horizontal line.

Darrin M. Ulmer
Pipeline Safety, Program Manager
Idaho Public Utility Commission