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IDAHO PUBLIC UTILITIES COMMISSION

May 16, 2019

Mr. Darrin Ulmer
Pipeline Safety, Programs Manager
Idaho Public Utilities Commission
P.O. Box 83720-0074
Boise, ID 83720-0074

Subject: Response to April 8, 2019 Notice of Probable Violations – Owyhee District

Dear Mr. Ulmer,

This letter is intended to address the April 8, 2019 Notice of Probable Violations (NOPV) identified by the Idaho Public Utilities Commission (IPUC) during the January 17, 2019 follow-up High Pressure Service Set (HPSS) inspection of Intermountain Gas Company’s (IGC) equipment in the Owyhee District. Listed below are the stated probable violations and the respective corrective actions taken by IGC.

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 4803 Atmospheric Corrosion Control 1. General (1.2).**
If pitting and /or evidence of atmospheric corrosion is found that exceeds this oxide layer; clean and coat or jacket the area with a material suitable for the prevention of atmospheric corrosion.
3. **IGC’s Standard Operating Procedure 4803 Atmospheric Corrosion Control 1. General (1.4, 1.4.2).**
(1.4) All above ground natural gas piping must be re-evaluated at intervals of three (3) years not to exceed 39 months, to determine if the condition of the coating material is sufficient to provide satisfactory corrosion protection. When the condition of the coating material is found to be unsatisfactory, the condition report (Crystal Reports/IGC Operations/Atmospheric Corrosion) will be available for scheduling corrective actions and will be initiated by:
(1.4.2) Operations Managers for all corrective actions required below the stop on standard meter sets.
4. **IGC’s Standard Operating Procedure 4803 Atmospheric Corrosion Control 5. (5.1) (5.5).**
(5.1) Apply the coating to ensure a uniform protective coating sufficient to prevent atmospheric corrosion and promote safe operation of the pipeline facility.
(5.5) Soil to air interfaces will have adequate wrap or coating applied to a height that will protect the facility.
5. **IGC’s Standard Operating Procedure 4803 Atmospheric Corrosion Control 8. (8.1) (8.2) (8.3) Small Meter Sets and High Pressure Service Sets.**
(8.1) Designated employee completes evaluation and necessary paperwork.
(8.2) Information is up-loaded to the Atmospheric Corrosion database for creation of a corrective action report.
(8.3) Operations/District Managers schedules corrective actions.

PROBABLE VIOLATIONS (continued)

6. **49 CFR §192.605(b)(1)(2) Procedural manual for operations, maintenance, and emergencies.**
(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.
(2) Controlling corrosion in accordance with the operations and maintenance requirements of subpart I of this subpart.
7. **49 CFR §191.479(a)(b) Atmospheric corrosion control.**
Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section. Coating material must be suitable for the prevention of atmospheric corrosion.

Finding:

On 01/17/19, the Idaho Public Utilities Commission personnel were conducting follow-up inspections on HPSS's that IGC had inspected in 2018 as part of IGC's HPSS Inspection Program. The HPSS 07676-317 located at 3155 Farmway Rd. Caldwell, ID had been previously inspected by an employee of IGC on 9/04/18. Upon our arrival the HPSS was found to have localized pitting below the stop on the outlet line of the service (Photo's 1-3 dated 1/17/19 taken at approximately 12:15 PM by Inspector Russo). The IGC inspector noted on the HPSS Inspection Form that the HPSS needs paint/soil-air coating wrap and all deficiencies were corrected. It appeared at the time of our inspection no effort had been made to clean and coat the pitting or jacket the area with a material suitable for the prevention of atmospheric corrosion. This subsequently falls under failure to follow §192.605. Therefore, IGC was not in compliance with procedures 4803 1.2, 1.4, 1.4.2, 5.1, 5.5, 8.1, 8.2, and 8.3. Additionally, IGC did not comply with §192.605(b)(1)(2), and §192.479(a)(b).

Intermountain Gas Response

Intermountain Gas Company (IGC) acknowledges that the outlet anodeless service riser (ASR) of the HPSS associated with service line 07676-317 had localized pitting. IGC also acknowledges the outlet riser was not cleaned and painted during the HPSS Inspection performed on September 4, 2018. In response to the findings reported by Bruce Perkins via email on January 18, 2019, IGC re-inspected the HPSS on January 21, 2019 at which time the outlet ASR was cleaned and painted. IGC also re-wrapped the inlet riser due to some nicks found in the coating. After further investigation, IGC replaced the outlet riser on April 19, 2019. (See Exhibit 1)

To improve the inspection process and documentation, IGC revised the High Pressure Service Set (HPSS) Inspection Form. The Deficiencies Found question "Needs paint/soil-air coating wrap: Yes No" was replaced with the following questions:

- HPSS needs paint: Yes No
- Outlet anodeless service riser needs paint: Yes No NA
- Inlet and/or outlet riser soil-to-air interface needs wrap: Yes No

The attached Compliance Alert (See Exhibit 2) was distributed to all MDU Utility Group employees. The Compliance Alert is intended to increase awareness of the potential for pitting and/or corrosion on ASRs and to remind personnel performing Atmospheric Corrosion (AC), Farm Tap or HPSS Inspections that ASR inspection are always required.

On May 7, 2019, the Service Technician who performed the September 4, 2018 inspection and January 21, 2019 follow-up inspection had the following Operator Qualifications suspended. The technician is currently receiving training and must requalify for the following Operator Qualifications prior to completing future HPSS Inspections.



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- 192-0401 Corrosion Monitoring - Atmospheric, External, and Internal
- 192-0402 Coating Maintenance

Lastly, IGC is conducting an independent audit of HPSS Inspections performed by the Service Technician mentioned in this letter. The audit will include HPSS Inspections completed since March 19, 2018, the date the technician last qualified for the previously mentioned Operator Qualifications.

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

Respectfully Submitted,

Pat Darras
Vice President, Engineering & Operations Services



Urgent – Compliance Message

Compliance Department – Utility Group

Subject: Inspecting an Anodeless Service Riser (ASR) for Pitting and/or Corrosion

Description: An employee performing a High Pressure Service Set (HPSS) Inspection failed to notice pitting on an ASR. When pitting or corrosion is overlooked during inspection, proper mitigation and repair is not scheduled or performed. Pitting and/or corrosion can lead to a hazardous leak when not mitigated or repaired. This Compliance Message is intended to increase awareness of the potential for pitting and/or corrosion on ASRs.

Action Required: When performing Atmospheric Corrosion, Farm Tap or HPSS Inspections, always inspect ASRs. When performing mitigation or making repairs, always clean and recoat if pitting and/or evidence of Atmospheric Corrosion is found that exceeds a light oxide formation. When pitting or metal loss exceeds company wall thickness metal loss criteria (20% at CNG, 10% at IGC, 30% at MDU/GPNG) contact Engineering or replace the ASR.



Refer to: [CNG CP 754](#) – Atmospheric Corrosion Control , [IGC 4803](#) – Atmospheric Corrosion Control, or [MDU/GPNG Gas Distribution Standards](#) Section 11 pages 173-176 for specific details.

