



Idaho Public Utilities Commission

PO Box 83720, Boise, ID 83720-0074

Brad Little, Governor

Paul Kjellander, Commissioner
Kristine Raper, Commissioner
Eric Anderson, Commissioner

April 8, 2019

Report # I201901

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

Dear Mr. Darras:

On January 17, 2019, the Idaho Public Utilities Commission, Pipeline Safety Division, pursuant to Chapter 601 of Title 49, United States Code, conducted a follow-up High Pressure Service Set (HPSS) 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 five items in reference to HPSS 07676-317 located at 3155 Farmway Rd. Caldwell, ID. Resulting in probable violations of the pipeline safety regulations at Title 49, Code of Federal Regulations, Part 192. The probable violations are as follows:

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.

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 §192.479(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 09/04/18. 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).*

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.

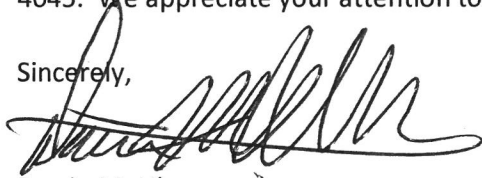
You have a right to appear before the Pipeline Safety Division in an informal conference before May 23, 2019, at the Commission's offices at 472 W. Washington St, Boise. You have the right to present relevant documents to the Commission at that conference. The Commission will make available to you any 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 May 9, 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 May 9, 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 May 9, 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,

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



Photo #1, 1/17/19, 3115 Farmway Rd. Caldwell, ID. Hps 07676-317. Outlet line below valve is pitted. Photo taken by Inspector Russo at 12:17 PM.



Photo #2, 1/17/19, 3115 Farmway Rd. Caldwell, ID. Hps 07676-317. Outlet line below valve is pitted. Photo taken by Inspector Russo at 12:15 PM.



Photo #3, 1/17/19, 3115 Farmway Rd. Caldwell, ID. Hpss 07676-317. Outlet line below valve is pitted. Photo taken by Inspector Russo at 12:17 PM.