



# Public Service Commission

## State of North Dakota

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### COMMISSIONERS

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November 2, 2015

Mr. Pat Darras  
Vice President of Operations  
Montana-Dakota Utilities Co.  
400 N 4th Street  
Bismarck, ND 58501

Dear Mr. Darras:

On September 16, 2015, Public Service Commission staff conducted an audit of the gas pipeline safety records for the natural gas distribution system in North Dakota operated by the Montana Dakota-Utilities Co. Dakota Heartland Region. As a result of that inspection, probable violation(s) were identified.

***Respond, in writing, within 30 days of the date you receive the enclosed Notice of Probable Violation(s), in the manner specified in the Notice.***

If you have any further questions or require additional information, please contact me.

Sincerely,

Aaron Morman, Manager  
ND Gas Pipeline Safety Program  
701-220-5779

Enclosure

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Public Service Commission**  
**Montana-Dakota Utilities Co., a Division of MDU**  
**Resources Group, Inc.**  
**Pipeline Safety Enforcement**

**Case No.GS-15-711**

**NOTICE OF PROBABLE VIOLATION(S)**

**November 2, 2015**

Under North Dakota Century Code section 49-02-01.2, Public Service Commission staff (PSC Staff) conducted an audit of the Montana-Dakota Utilities Co., Dakota Heartland Region (MDU)(Respondent), gas safety records. Probable violation(s) of the Public Service Commission's (Commission's) gas pipeline safety regulations were identified.

**DATE OF AUDIT:**

September, 19 2015

**TYPE OF AUDIT:**

Standard Records

**LOCATION OF AUDIT:**

MDU Region Office  
Bismarck, ND

**PSC STAFF:**

Aaron Morman, Inspector  
Craig Reamann, Inspector

**OPERATOR CONTACT PERSON:**

Mike Schoepp 701-224-5814

## **PROBABLE VIOLATION NO. 1**

### **LAWS OR RULES IN EFFECT AT TIME OF PROBABLE VIOLATION:**

49 CFR 192.747 Valve maintenance: Distribution systems.

- (a) Each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once each calendar year.

### **EVIDENCE:**

MDU's Gas Distribution Standards Manual, section 3, page 14, states "“Key Valves” are sectionalizing valves that are used for isolating or sectionalizing a part of a natural gas or propane transmission or distribution system pursuant to 49 Code of Federal Regulations, Part 192. Personnel must maintain key valves in accordance with these regulations and Standards.”

During the audit, MDU could not provide a record of check or service of Bismarck Key Isolation Valve 637 on Ave C and Ward Road in 2014.

### **PROBABLE VIOLATION:**

In calendar year 2014, MDU did not check and service Key Isolation Valve 637, the use of which is necessary for the safe operation of the distribution system.

### **PROPOSED CIVIL PENALTY**

Under 49-07-05.1, any person who violates a rule or order of the commission pursuant to section 49-02-01.2 is subject to a civil penalty to be imposed by the commission of not to exceed two hundred thousand dollars for each violation for each day that the violation continues, except that the maximum penalty may not exceed two million dollars for any related series of violations.

Proposed Civil Penalty: \$5,000.00

## RESPONSE OPTIONS

Within 30 days of receipt of a notice of probable violation, the respondent must answer to:

Aaron Morman, Manager  
ND Gas Pipeline Safety Program  
600 E. Boulevard, Dept. 408  
Bismarck, ND 58505-0480

The respondent must answer in the following manner:

- (a) When the notice contains a proposed civil penalty--
  - (1) If the respondent is not contesting an allegation of probable violation, pay the proposed civil penalty by certified check or money order made payable to "North Dakota Public Service Commission," and advise the Manager of the payment. The payment authorizes the Commission to make a finding of violation and to issue a final order.
  - (2) If the respondent is not contesting an allegation of probable violation but wishes to submit a written explanation, information, or other materials the respondent believes may warrant mitigation or elimination of the proposed civil penalty, the respondent may submit such materials. This authorizes the Commission to make a finding of violation and to issue a final order.
  - (3) If the respondent is contesting one or more allegations of probable violation but is not requesting a hearing, the respondent may submit a written response in answer to the allegations; or
  - (4) The respondent may request a hearing.
- (b) When the notice contains a proposed compliance order--
  - (1) If the respondent is not contesting an allegation of probable violation, agree to the proposed compliance order. This authorizes the Commission to make a finding of violation and to issue a final order.
  - (2) Request the execution of a consent order under.
  - (3) If the respondent is contesting one or more of the allegations of probable violation or compliance terms, but is not requesting a hearing under § 190.211, the respondent may object to the proposed compliance order and submit written explanations, information, or other materials in answer to the allegations in the notice of probable violation; or
  - (4) The respondent may request a hearing.
- (c) Before or after responding in accordance with paragraph (a) or, when applicable paragraph (b) the respondent may request a copy of the violation report from the Manager. The Manager will provide the violation report to the respondent within five business days of receiving a request.
- (d) Failure to respond in accordance with paragraph (a) or, when applicable paragraph (b) constitutes a waiver of the right to contest the allegations in the notice of probable violation and authorizes the Commission, without further notice to the respondent, to find the facts as alleged in the notice of probable violation and to issue a final order.
- (e) All materials submitted by operators in response to enforcement actions may be placed on publicly accessible Web sites. A respondent seeking confidential treatment for any portion of its responsive materials must submit an application under North Dakota Administrative Code chapter 69-02-09.

## **COMMISSION ACTION**

The Commission may issue an order without hearing if the operator contests a probable violation, contests a proposed compliance order, or contests a proposed civil penalty but does not request a hearing.

The Commission may issue an order after hearing.

A Commission order may:

- (a) Require the operator to complete compliance actions;
- (b) Impose a civil penalty; and
- (c) Suspend operation of the pipeline system.