



# Public Service Commission

## State of North Dakota

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November 12, 2015

Mr. Jerry Anderson  
Mayor  
City of Granville  
407 Main Street South  
Granville, ND 58741

Dear Mr. Anderson:

On September 9-11, 2015, Public Service Commission staff conducted an audit of the gas pipeline safety records for the gas distribution system operated by the City of Granville. As a result of that inspection, probable violation(s) were identified.

***Respond, in writing, within 30 days of the date you receive this Notice, 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  
City of Granville  
Pipeline Safety Enforcement**

**Case No. GS-15-723**

**NOTICE OF PROBABLE VIOLATION(S)**

**November 12, 2015**

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

**DATE OF AUDIT:**

September 9-11, 2015

**TYPE OF AUDIT:**

Standard Records

**LOCATION OF AUDIT:**

Granville City Hall  
Granville, ND

**PSC STAFF:**

Aaron Morman, Inspector  
Craig Reamann, Inspector

**OPERATOR CONTACT PERSON:**

Anita Trana  
701-728-6369

## **PROBABLE VIOLATION NO. 1**

### **PROBABLE VIOLATION:**

Respondent did not or test the capacity of relief device #14 in 2014 or determine the capacity by review and calculations. Relief devices must have sufficient capacity to protect the facilities to which it is connected.

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

#### **49 CFR 192.743 Pressure limiting and regulating stations: Capacity of relief devices.**

(a) Pressure relief devices at pressure limiting stations and pressure regulating stations must have sufficient capacity to protect the facilities to which they are connected. Except as provided in 192.739(b), the capacity must be consistent with the pressure limits of 192.201(a). This capacity must be determined at intervals not exceeding 15 months, but at least once each calendar year, by testing the devices in place or by review and calculations.

### **EVIDENCE:**

During the September 9-11, 2015 audit, Respondent provided no records to show compliance with 49 CFR 192.743 for relief device #14.

### **PROPOSED CIVIL PENALTY**

Proposed Civil Penalty: \$2,500.00 (reduced from \$5,000.00)

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.

Under Section C(19)(b)(2) of the North Dakota Public Service Commission Gas Pipeline Safety Inspection Plan, July 29, 2009, penalties proposed for any probable violation for system operators with 5000 or less customers are reduced by 50%.

## **PROBABLE VIOLATION NO. 2**

### **PROBABLE VIOLATION:**

In 2014, Respondent did not check or service distribution valve(s) as required under 49 CFR 192.747 (a).

### **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.

(b) Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve.

### **EVIDENCE:**

City of Granville Operation and Maintenance Plan 10-30-14 Section 4.6 states:

Key Valve: This valve is a manually operated plug valve located at the storage tank facility. The valve is designed to be used in cases of emergency to close off the supply of propane vapor to the town system. This valve is #12, as shown on Figure 1, Page 8.

During the September 9-11, 2015 audit, Respondent provided no records to show compliance with 49 CFR 192.747 (a), for valve #12, the use of which may be necessary for the safe operation of the distribution system.

### **COMPLIANCE ACTION:**

Within 30 days of receipt of this Notice, provide documentation to the Commission of the most recent check and service of valve #12. .

### **PROPOSED CIVIL PENALTY**

Proposed Civil Penalty: \$2,500.00 (reduced from \$5,000.00)

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.

Under Section C(19)(b)(2) of the North Dakota Public Service Commission Gas Pipeline Safety Inspection Plan, July 29, 2009, penalties proposed for any probable violation for system operators with 5000 or less customers are reduced by 50%.

### Probable Violation NO. 3

#### **PROBABLE VIOLATION:**

In 2014 Respondent did not test their cathodic protection system as required under 49 CFR 192.465 (a).

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

##### **49.CFR 192.465 External Corrosion Control: 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. However, if tests at those intervals are impractical for separately protected short sections of mains or transmission line, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.

#### **EVIDENCE:**

During the September 9-11, 2015 audit, Respondent provided no records to show compliance with 49 CFR 192.465 (a), for their cathodic protection system.

#### **PROPOSED CIVIL PENALTY**

Proposed Civil Penalty: \$2,500.00 (reduced from \$5,000.00)

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.

Under Section C(19)(b)(2) of the North Dakota Public Service Commission Gas Pipeline Safety Inspection Plan, July 29, 2009, penalties proposed for any probable violation for system operators with 5000 or less customers are reduced by 50%.

## **Probable Violation NO. 4**

### **PROBABLE VIOLATION:**

Respondent did not conduct a pressure test on a segment of system pipeline repaired on February 12, 2014, as required under 49 CFR 192.513 (a).

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

#### **49 CFR 192.513 Test requirements for plastic pipelines.**

(a) Each segment of a plastic pipeline must be tested in accordance with this section.

(b) The test procedure must insure discovery of all potentially hazardous leaks in the segment being tested.

(c) The test pressure must be at least 150 percent of the maximum operating pressure or 50 p.s.i. (345 kPa), whichever is greater. However, the maximum test pressure may not be more than three times the pressure determined under §192.121, at a temperature not less than the pipe temperature during the test.

(d) During the test, the temperature of thermoplastic material may not be more than 100 °F (38 °C), or the temperature at which the material's long-term hydrostatic strength has been determined under the listed specification, whichever is greater.

#### **49 CFR.192.503 General requirements.**

(a) No person may operate a new segment of pipeline, or return to service a segment of pipeline that has been relocated or replaced, until-

(1) It has been tested in accordance with this subpart and §192.619 to substantiate the maximum allowable operating pressure; and

(2) Each potentially hazardous leak has been located and eliminated.

### **EVIDENCE:**

During the September 9-11, 2015 audit, Respondent could not provide record of a pressure test on a repaired segment of system pipeline.

City of Granville Operation and Maintenance Plan 10-30-14 Section 5.8 states:

Testing a New or Repaired/Reinstated Service Line: Whenever a portion of a gas service line is replaced or repaired, or whenever a service line that has been taken out of service (depressurized) is put back into service (reinstated), the pipe will be tested the same as if it were a new service line. It will be tested for sound construction and no gas leakage following the testing, purging, and turn-on procedures outlined in sections 7.8, 7.11, and 7.12 of "Adding New Customers".

### **PROPOSED CIVIL PENALTY**

Proposed Civil Penalty: \$50.00 per day beginning February 13, 2014 and ending the date of qualified documentation of repaired pipe segment pressure test (reduced from \$100.00 per day).

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.

Under Section C(19)(b)(2) of the North Dakota Public Service Commission Gas Pipeline Safety Inspection Plan, July 29, 2009, penalties proposed for any probable violation for system operators with 5000 or less customers are reduced by 50%.

## 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.