



Public Service Commission

State of North Dakota

COMMISSIONERS

Julie Fedorchak
Randy Christmann
Brian P. Kalk

Executive Secretary
Darrell Nitschke

600 East Boulevard, Dept. 408
Bismarck, North Dakota 58505-0480
Web: www.psc.nd.gov
E-mail: ndpsc@nd.gov
Phone: 701-328-2400
ND Toll Free: 1-877-245-6685
Fax: 701-328-2410
TDD: 800-366-6888 or 711

January 4, 2017

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

Dear Mr. Darras:

On December 14, 2016, Public Service Commission staff conducted an audit of the gas pipeline safety records of Great Plains Natural Gas Co. for the Montana-Dakota Utilities Co. Hankinson to Fairmount gas transmission pipeline operated and maintained by GPNG. As a result of that inspection, one probable violation was 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,

Craig Reamann, Manager
ND Gas Pipeline Safety Program
701-934-3830

Enclosure

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Public Service Commission
Great Plains Natural Gas Co.
Pipeline Safety Enforcement**

Case No. GS-17-14

NOTICE OF PROBABLE VIOLATION(S)

January 4, 2017

Under North Dakota Century Code section 49-02-01.2, Public Service Commission staff (PSC Staff) conducted an audit of the Great Plains Natural Gas Co. (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:

December 14, 2016

TYPE OF AUDIT:

Standard Records

LOCATION OF AUDIT:

Great Plains Natural Gas Co. Office
Fergus Falls, MN

PSC STAFF:

Aaron Morman, Inspector

OPERATOR CONTACT PERSON:

Jesse Volk
Region Gas Engineer
218-739-6616 (office)
218-770-8481 (cell)

PROBABLE VIOLATION NO. 1

PROBABLE VIOLATION:

Respondent did not perform the required leakage survey for the Hankinson to Fairmount transmission pipeline within the specified intervals.

LAWS OR RULES IN EFFECT AT TIME OF PROBABLE VIOLATION:

49 CFR 192.706 Transmission lines: Leakage surveys.

Leakage surveys of a transmission line must be conducted at intervals not exceeding 15 months, but at least once each calendar year.

EVIDENCE:

During the December 14, 2016 inspection, GPNG's GIS Leak Survey Display records provided by the Respondent showed non-compliance with 49 CFR 192.706 for the Hankinson to Fairmount transmission pipeline. The required 15 month leakage survey interval was exceeded by 10 days.

PROPOSED CIVIL PENALTY:

Proposed Civil Penalty: \$2500

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 the North Dakota Public Service Commission Gas Pipeline Safety Program Manual, May 18, 2016:

When proposing a civil penalty for a NOPV, the Program Manager shall consider the appropriateness of the civil penalty to: the operator's history of prior violations or complaints, and the good faith effort by the operator in attempting to achieve compliance.

In consideration of these factors, the proposed penalty is adjusted from \$5000 to \$2500.

RESPONSE OPTIONS:

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

Craig Reamann, 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.