

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 9, 2013

Mr. Tony Finneman
Vice President of Operations
WBI Energy Transmission, Inc.
1250 W. Century Avenue
Bismarck, ND 58503

CPF 5-2013-1011W

Dear Mr. Finneman:

On May 21-25 2012, and June 25-29, 2012, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Operations & Maintenance (O&M) procedures and records of your facility in Glendive, Montana.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §192.745 Valve maintenance: Transmission lines

- (a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.**

Per §192.745(a), an operator shall inspect and/or maintain each transmission line valve for emergency shutdown. At the time of inspection, WBI Energy Transmission, Inc.'s records (WBI) indicate which critical and non-critical valves are designated for emergency shutdown at their meter stations and compressor stations. However, WBI did not designate which transmission line valves are critical and/or non-critical valves that might be required during any emergency.

2. §192.614 Damage prevention program.

(c) The damage prevention program required by paragraph (a) of this section must, at a minimum:

(3) Provide a means of receiving and recording notification of planned excavation activities.

Per §192.614(c) (3), an operator shall provide means of receiving and recording notification of planned excavation activities. At the time of the inspection, one-call tickets did not have sufficient information recorded on them to document the WBI response to excavation notifications, i.e. whether line is marked or not, what instruction was provided to excavator by WBI field personnel, and what actions must be taken by the WBI field personnel. Therefore, one-call tickets were not properly completed, i.e. one call ticket #12001148.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in WBI Energy Transmission, Inc. being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2013-1011W**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 K. Nguyen (#137567)