U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628
609.771.7800

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

February 4, 2019

Mr. Curtis Pohl
Vice President Distribution Operations
Northwestern Corporation
3010 W. 69th Street
Sioux Falls, SD 57108

CPF 1-2019-0001M

Dear Mr. Pohl:

From August 21-23, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the Northwestern Corporation (NWC) procedures and records for the operation of the Dry Creek Underground Natural Gas Storage Field (Dry Creek). The inspection was conducted at NWC's office in Billings, Montana and the Dry Creek field located in a remote area south of Bridger and 55 miles southwest of Billings, Montana.

Based on the results of the inspection, PHMSA has identified the apparent inadequacy found within the NWC.'s Underground Natural Gas Storage (UNGS) procedures, as described below:

1. **§ 192.12 Underground natural gas storage facilities.**

   (e) Operators of underground gas storage facilities must establish and follow written procedures for operations, maintenance, and emergencies implementing the requirements of API RP 1170 and API RP 1171, as required under this section, including the effective dates as applicable, and incorporate such procedures into their written procedures for operations, maintenance, and emergencies established pursuant to § 192.605.

NWC's procedures for operations, maintenance, and emergencies implementing the requirements of API RP 1170 and API RP 1171 were inadequate. Specifically, NWC did not establish a written Blowout Contingency Plan (BCP) as required in API RP 1171, Section 10.6.3, for the wells at Dry Creek.

API RP 1171, Section 10.6.3 Blowout Contingency Plan, states:

The operator shall have a blowout contingency plan in place.

A blowout contingency plan is company specific and should identify the procedures, equipment, and personnel needed to avoid or respond to a loss of well control situation.

NOTE The operator can consult with well control experts in developing a blowout contingency plan.

NWC discovered that after an insurance broker change, no formal BCP agreement was included with its new insurance policy. Thus, NWC did not have a BCP, as required by API RP 1171, Section 10.6.3, covering the wells in Dry Creek.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190. 206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings.* Please refer to this document and note the response options. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Northwestern Corporation maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, New Jersey 08628. Please refer to **CPF 1-2019-0001M** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*