



US Department
of Transportation
**Research and
Special Programs
Administration**

400 Seventh St. S.W.
Washington D.C. 20590

AUG 25 2003

Mr. Royce A. Ramsey
Vice President, Operations
Northern Natural Gas Company
1111 South 103rd Street
Omaha, NE 68124-1091

Re: CPF No. 3-2002-1004

Dear Mr. Ramsey:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation, assesses a civil penalty of \$22,750, and acknowledges completion of corrective action.

All actions required in the Compliance Order have been completed. I acknowledge receipt of, and accept your wire transfer dated August 21, 2002, in the amount of \$22,750 as payment in full of the civil penalty. Based on the recommendation of the Director, Central Region, this case is now closed and no further enforcement action is contemplated with respect to the matters involved in the case. Thank you for your cooperation in our joint effort to ensure pipeline safety.

Sincerely,

Gwendolyn M. Hill
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

cc: Pat Vaughan
Director - Integrity Management

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590

| | | |
|------------------------------|---|---------------------|
| In the Matter of |) | |
| |) | |
| Northern Natural Gas Company |) | CPF No. 3-2002-1004 |
| |) | |
| Respondent. |) | |
| |) | |

FINAL ORDER

Between July 2001 and November 2001, pursuant to 49 U.S.C. § 60117, representatives of the Office of Pipeline Safety (OPS) and the Iowa Utility Board, conducted on-site pipeline safety inspections of Respondent's facilities in Kansas, Iowa, South Dakota, Nebraska, and Minnesota. As a result of the inspection, the Director, Central Region, OPS, issued to Respondent, by letter dated June 5, 2002, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. Part 192 and proposed that Respondent take certain measures to correct the alleged violation.

Respondent responded to the Notice by letter dated August 15, 2002 (Response). Respondent did not contest the allegations of violation but provided information concerning the corrective actions it has taken. Respondent did not request a hearing, consequently Respondent waived its right to one.

FINDINGS OF VIOLATION

Respondent did not contest the alleged violations in the Notice. Accordingly, I find that Respondent violated the following sections of 49 C.F.R. Part 192, as more fully described in the Notice:

49 C.F.R. § 192.465(a) – failure to test the cathodic protection test stations at least once a year, with intervals not exceeding 15 months. There were 9 branch lines in the Platteville, Wisconsin area that exceeded the 15 month interval.

| | |
|-----------------------------|---------|
| La Farge exceeded by | 16 days |
| Prarie Du Chien exceeded by | 12 days |
| Mineral Point exceeded by | 6 days |
| Darlington exceeded by | 6 days |
| Lake Delton exceeded by | 3 days |
| Wisconsin Dells exceeded by | 3 days |
| Westby exceeded by | 16 days |
| Viroqua exceeded by | 16 days |
| Viola exceeded by | 20 days |

49 C.F.R. § 192.745 – failure to inspect 51 mainline valves on line 730A, line 730B, line 670C, line 670D, and line 670E at intervals not exceeding 15 months.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

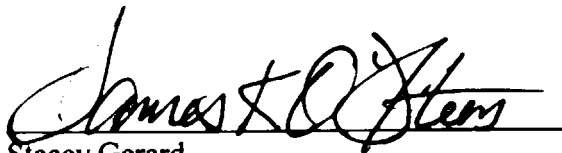
The Notice proposed a compliance order. Respondent has demonstrated corrective action addressing the items in the proposed compliance Order. The Director, Central Region, OPS has accepted these measures as adequately fulfilling the requirements of the regulations and no further action is needed with respect to a compliance order.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed \$100,000 per violation for each day of the violation up to a maximum of \$1,000,000 for any related series of violations.

49 U.S.C. § 60122 and 49 C.F.R. § 190.225 require that, in determining the amount of the civil penalty, I consider the following criteria: nature, circumstances, and gravity of the violation, degree of Respondent's culpability, history of Respondent's prior offenses, Respondent's ability to pay the penalty, good faith by Respondent in attempting to achieve compliance, the effect on Respondent's ability to continue in business, and such other matters as justice may require.

I assess a civil penalty in the amount of \$22,750, already paid by Respondent. The terms and conditions of this Final Order are effective upon receipt.



Stacey Gerard
Stacey Gerard
Associate Administrator
for Pipeline Safety

AUG 25 2003

Date Issued