

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 19, 2018

Royce Ramsay  
Vice President of Operations  
Northern Natural Gas Co.  
1111 South 103<sup>rd</sup> Street  
Omaha, Nebraska 68124

**CPF-4-2018-2003W**

Dear Mr. Ramsay:

On multiple occasions between December 12, 2017 to August 18, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your Matagorda Offshore Pipeline System in Texas.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

**1. §192.605 Procedural manual for operations, maintenance, and emergencies.**

**(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.**

Northern Natural Gas failed to follow its written Operations and Maintenance procedures for completing Form 80.408a - Record of In Place Facility Abandonment', during the abandonment

of its Matagorda Offshore Pipeline System (MOPS). The abandonment of this system was performed over a period of time from 1991-2014.

The PHMSA inspectors reviewed the 80.408 Abandonment of Facilities procedures; Section 5 page 2-3 Rev 16 12/31/2015 and 0190 Engineering Standard Disposition of Abandoned Facilities; Section 6 page 2 Rev 5 12/10/2013. Records show that documentation was completed properly for 2 out of 9 abandoned segments since 2013.

Additionally, abandonment certifications submitted to PHMSA, failed to capture all the required elements of 192.727 (g)(1). Out of the 9 abandoned segments, certifications were submitted for only 5 segments. Of the 5 submitted, only 1 certification (dated 3/16/2015) was properly documented.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists, up to a maximum of \$2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 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 identified in this letter. Failure to do so will result in Northern Natural Gas 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 4-2018-2003W**. 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,

Mary L. McDaniel, P. E.  
Director, Southwest Region  
Pipeline and Hazardous Materials Safety Administration