

## 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 5-2013-1010W**

Dear Mr. Finneman:

On September 10-14, 2012, and November 5-8, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, conducted a field inspection of your Worland District in Wyoming.

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 violation is:

**1. §192.625 Odorization of gas.**

**(f) To assure the proper concentration of odorant in accordance with this section, each operator must conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable.**

Per §192.625(f), an operator shall conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable. At the time of inspection, it was noted that WBI Energy Transmission, Inc. (WBI) odorizes 100% of the system, however, WBI did not conduct sufficient testing to verify the appropriate odor level at all locations in their pipeline. In addition, WBI did not follow their procedures to conduct periodic sampling of combustible gases at several locations of the pipeline

system, i.e. the sampling was not performed from 2009 until the time of inspection by PHMSA for Buffalo station. Meanwhile, if WBI relies on the downstream Local Distribution Company, MDU (a sister company), to monitor odor intensity at several locations in their pipeline then WBI needs to obtain the inspection records to ensure that they are in compliance with §192.625(f).

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 5-2013-1010W**. 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 (#139783)