

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 4, 2017

Mr. Michel Nelson
Sr. VP Operations of Natural Gas Pipelines
Viking Gas Transmission Company
100 West Fifth Street
Tulsa, OK 74103

CPF 3-2017-1002M

Dear Mr. Nelson:

Beginning March 9, 2015 and ending June 12, 2015, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Viking Gas Transmission Company procedures, facilities and records in North Dakota and Wisconsin.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Viking Gas Transmission Company plans or procedures, as described below:

1. **§192.917 How does an operator identify potential threats to pipeline integrity and use the threat identification in its integrity program?**
 - (a) **Threat identification. An operator must identify and evaluate all potential threats to each covered pipeline segment. Potential threats that an operator must consider include, but are not limited to, the threats listed in ASME/ANSI B31.8S (incorporated by reference, see §192.7), section 2, which are grouped under the following four categories:**
 - (1) **Time dependent threats such as internal corrosion, external corrosion, and stress corrosion cracking;**
 - (2) **Static or resident threats, such as fabrication or construction defects;**
 - (3) **Time independent threats such as third party damage and outside force damage; and**
 - (4) **Human error.**

Viking's procedures are inadequate because its integrity management program (IMP) does not include all potential threats listed in ASME/ANSI B31.8S Section 2. As a result a relief valve leak in 2013 was not incorporated into the risk model. Viking must amend its IMP to include these potential threats.

2. §192.935 What additional preventive and mitigative measures must an operator take?

(d) Pipelines operating below 30% SMYS. An operator of a transmission pipeline operating below 30% SMYS located in a high consequence area must follow the requirements in paragraphs (d)(1) and (d)(2) of this section. An operator of a transmission pipeline operating below 30% SMYS located in a Class 3 or Class 4 area but not in a high consequence area must follow the requirements in paragraphs (d)(1), (d)(2) and (d)(3) of this section

(2) Either monitor excavations near the pipeline, or conduct patrols as required by § 192.705 of the pipeline at bi-monthly intervals. If an operator finds any indication of unreported construction activity, the operator must conduct a follow up investigation to determine if mechanical damage has occurred.

Viking's procedure is inadequate because it does not require either monitoring of excavations or bi-monthly patrols and the language of the procedure allows for "other provisions" to be utilized rather than monitoring. Pipelines operating below 30% SMYS in Class 3 or 4 locations but not in an HCA require either monitoring of excavations near the pipeline or bi-monthly patrolling. Viking's procedures must be amended to clarify that the excavation must be continuously monitored if excavation is occurring near the pipeline or that bimonthly patrols must be performed.

3. §192.945 What methods must an operator use to measure program effectiveness?

(a) General. An operator must include in its integrity management program methods to measure whether the program is effective in assessing and evaluating the integrity of each covered pipeline segment and in protecting the high consequence areas. These measures must include the four overall performance measures specified in ASME/ANSI B31.8S (incorporated by reference, see § 192.7 of this part), section 9.4, and the specific measures for each identified threat specified in ASME/ANSI B31.8S, Appendix A. An operator must submit the four overall performance measures as part of the annual report required by § 191.17 of this subchapter.

Viking's procedures are inadequate because it failed to include in its integrity management program the required performance measures specified in ASME/ANSI B31.8S and ASME/ANSI B31.8S, Appendix A. Specifically, the process did not require bench-marking performance against data from outside the company. Additionally there are inconsistencies within the IMP. Performance measures tracked in IMP Performance Measures of Specific Threats spreadsheet do not match the table in procedure Section 11.5. Viking's procedures must be amended to include benchmarking performance against data from outside the company and to correct the inconsistencies between the spreadsheet and the table in procedure Section 11.5.

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 30 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 Viking Gas Transmission Company maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Allan C. Beshore, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2017-1002M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Since the inspection, Viking Gas Transmission Company has submitted revised procedures to resolve these issues. PHMSA Central Region personnel have reviewed the revised procedures and determined that the revisions satisfy the deficiencies identified in all of the above items. Therefore, no further action is required and this enforcement action is considered closed.

Sincerely,

Allan C. Beshore
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration

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