

WARNING LETTER

VIA ELECTRONIC MAIL TO: mark.hewett@nngco.com , Royce.ramsay@nngco.com , and Jonathan.wolfgram@state.mn.us

January 15, 2021

Mr. Mark Hewett
President & CEO
Northern Natural Gas Co
1111 South 103rd Street
Omaha, NE 68124

CPF 3-2021-002-WL

Dear Mr. Hewett:

On September 30, 2020, a representative of the Minnesota Office of Pipeline Safety (MNOPS) acting as an interstate agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) conducted an investigation of an overpressure event at the Hayward, MN town border station. The investigation was initiated after the event was reported as a safety related condition.

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.**

(b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

Northern Natural Gas Company (NNG) did not have adequate procedures to maintain the operating pressure under the maximum allowable operating pressure (MAOP) during the off-loading of natural gas from a bottle tanker to a town border station. As a result, the inlet piping to the Hayward MN town border station exceeded the MAOP.

On August 25, 2020, NNG was engaged in a replacement project on the mainline upstream of the Hayward town border station tap. In order to facilitate the replacement and not shut natural gas off to the town, NNG brought in natural gas bottle tankers to temporarily maintain the distribution system for the city. While delivering the natural gas from the tankers to the town border station, NNG personnel allowed the pressure to go above the 500 psig MAOP to 667 psig. NNG's gas control received alarms and notified personnel on site who subsequently reduced the pressure to under the MAOP which took approximately one hour. No other parts of the station or the downstream distribution system was affected. After identifying the non-compliance, NNG took documented actions to address the cause and corrected the non-compliances that contributed to the issue including adding additional procedures for off-loading bottle tankers and requalifying personnel for this task.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. 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(s) identified in this letter. Failure to do so will result in Northern Natural Gas Company 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 3-2021-002-WL**. 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,

Gregory A. Ochs
Director, Central Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Cc: Royce Ramsay, Vice President, Operations, Royce.ramsay@nngco.com
Jonathan Wolfgram, Chief Engineer, MNOPS, Jonathan.wolfgram@state.mn.us