

WARNING LETTER

VIA ELECTRONIC MAIL TO: mark.hewett@nngco.com, royce.ramsay@nngco.com,
thomas.correll@nngco.com

February 11, 2021

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

CPF 3-2021-1001W

Dear Mr. Hewett:

During a period between May 13 and August 22, 2019 a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) and interstate agents from Michigan, Iowa and Minnesota pursuant to Chapter 601 of 49 United States Code inspected Northern Natural Gas Company (Northern Natural) procedures for Operations, Maintenance, Control Room, Integrity Management, and Public Awareness in Omaha, Nebraska, as well as its gas pipeline system facilities located in Iowa, Minnesota, Wisconsin and Michigan.

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

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 once 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 failed to review and update its Emergency Manual procedures at intervals not exceeding 15 months, but at least once each calendar year. At the time of the inspection, the PHMSA inspector performed a spot check of the hard copy Emergency Manual at the East Wakefield Compressor Station, and discovered that sections 40.102 and 10.101 of the Manual were not updated and current.

2. §192.631 Control room management.

(a) . . .

(c) Provide adequate information. Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:

(1) . . .

(4) Test any backup SCADA systems at least once each calendar year, but at intervals not to exceed 15 months; and

Northern Natural failed to properly test any backup SCADA system as least once each calendar year, but at intervals not to exceed 15 months. Specifically, Northern Natural's 2016, 2017 and 2018 backup SCADA tests of its Des Moines, IA facility show that the company only tested the SCADA server performance and did not test the full SCADA system, which includes the HMI interface, phone transfer, printing, trending, alarms, etc.

Northern Natural has two designated backup control centers: one in Johnston, IA and the other in Bellevue, NE (South Omaha). Neither facility has a SCADA server located on site. The SCADA server is located in another facility. The 2016, 2017, and 2018 back up test records described turning on the SCADA server in the secondary location and then going to South Omaha or Johnston, Iowa to perform the backup test. Northern Natural, however, did not run a separate test for both facilities each year. Tests were completed for the Bellvue location in 2017 and 2018 and in Johnson, Iowa in 2016. Northern Natural needs to test both backup locations each year and not only the backup server.

3. §192.631 Control room management.

(j) Compliance and deviations. An operator must maintain for review during inspection:

(1) Records that demonstrate compliance with the requirements of this section; and

Northern Natural failed to maintain records to demonstrate compliance with the requirements of § 192.631. Specifically, Northern Natural was unable produced records for the inspection years 2016, 2017 and 2018 during PHMSA's inspection. These

missing records included annual reviews of the control room training program content, SCADA back up tests for the South Omaha and Des Moines, Iowa back up control centers, annual internal communication tests, and annual controller activity reviews. PHMSA requested these items on May 14, 2019, and Northern Natural subsequently provided some records, but not all the required records. Additionally, on September 21, 2019, PHMSA issued a Request for Specific Information (RFSI) to Northern Natural. In response to the RFSI, Northern Natural provided one record for the 2017 Internal Communication Test and incorrect records for the annual activity review. Furthermore, several of the required Control Room records were not available in Northern Natural's records management system.

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 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 3-2021-1001W**. 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, OPS
Pipeline and Hazardous Materials Safety Administration

cc: Royce Ramsay, VP Operations royce.ramsay@nngco.com
Thomas Correll, Director Pipeline Safety, thomas.correll@nngco.com