

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: mark.hewett@nngco.com; thomas.correll@nngco.com; keith.good@nngco.com; john.gormley@nngco.com

November 6, 2024

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

CPF 3-2024-070-NOA

Dear Mr. Hewett:

From March 28 to October 2, 2023, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Northern Natural Gas Company's (NNG) procedures in Omaha, Nebraska. As a result of the inspection, PHMSA has identified the apparent inadequacies found within NNG's plans or procedures. The items inspected and the inadequacies are described below:

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.

NNG's Operations and Maintenance (O&M) Procedure, entitled "010.108 Procedure Review" (O&M 010.108), was inadequate because it did not provide adequate detail regarding the periodic review of work done by operator personnel to determine the effectiveness and adequacy

of the procedures used in normal operation and maintenance, as required by § 192.605(b)(8). Specifically, the procedure did not: (1) prescribe how to document what work was reviewed and (2) did not contain requirements to ensure that each procedure used by NNG would be periodically reviewed.

First, the documentation requirement contained in O&M 010.108 was inadequate because it only required NNG to generate a list of what procedures were reviewed, and did not prescribe the information to be captured about what work was reviewed. After reviewing NNG's records, PHMSA confirmed that the result of the review constituted merely generating a list of procedures that were reviewed annually. Per O&M 010.108, and the associated list of procedures which were reviewed by NNG in 2021, 2022, and 2023, PHMSA found that NNG did not have a process for documenting work that was performed as part of the review. O&M 010.108 must be revised to include detailed documentation requirements to record what work was performed during the process of reviewing each procedure, such as, but not limited to:

1. Dates, times, and locations of work reviewed;
2. OQ tasks qualifications and training related to the performance of the maintenance or operating procedure;
3. Critical tools and equipment used in the performance of the activity; and
4. Relevant pipeline system component or manufacturer data or guidance used in the course of the procedure.

Second, O&M 010.108 was inadequate because it did not contain requirements regarding when to perform a periodic review of each procedure. NNG's policy was to review a listing of 18 frequently used procedures each year, as shown by "Table 1" of O&M 010.108. The chosen procedures are selected based on "number of inquiries received regarding the procedure, the number of related Maintenance Control System (MCS) tasks, frequency of tasks and any recent changes to the procedure," per section 5.2.1.1. However, no guidance or timeline was given for when to review less common procedures. From a review of procedures provided to PHMSA during the inspection, PHMSA determined that NNG had 195 unique procedures of which NNG's records showed that only 22 procedures had been reviewed for effectiveness from 2021 to 2023. Because O&M 010.108 failed to ensure each procedure is reviewed according to a defined time period, it must be revised to include a maximum period of time for the review of each procedure that is performed.

2. § 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.

NNG's O&M Procedure, entitled "160.101 Valve Maintenance" (O&M 160.101), was inadequate because it did not provide adequate detail regarding partial operation, pursuant to § 192.745(a). Specifically, O&M 160.101, section 5.1, stated only that "NNG personnel must ensure valves operate partially" and that NNG personnel must ensure that the valve indicator moves. After reviewing this procedure, PHMSA found in practice NNG personnel defined "partial operation" to mean a minimal movement of the valve position indicator, which was not sufficient to ensure that the valve was unseated from the closed position. NNG must amend the procedure such that each type of valve has a defined partial operation range of movement that ensures it is operational, per the requirements of § 192.745(a).

3. § 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.

NNG's O&M procedure for each alternative equivalent technology, entitled "160.201 Rupture Mitigation Valves," was inadequate because it did not include all the requirements specified in § 192.745(d). Following PHMSA's inspection, NNG amended the procedure and found to be acceptable. Therefore, no further action is needed by NNG.

4. § 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.

NNG's procedure for maintaining gas detection and alarms in compressor stations, required under § 192.736(c), was inadequate because it failed to provide adequate detail for recording performance tests, as required by § 192.605(a). Specifically, O&M Procedure, entitled "030.102 Compressor Stations Additional Safety Devices" (O&M 030.102), section 6, specified that NNG must "record data from tests." However, PHMSA found that not all data was recorded from the results of tests because NNG's MCS did not include a way to record results from performance tests of each specific device. In some instances, multiple device tests in a single compressor station location were recorded only by a single check mark, or signature, on a form created by local personnel. During PHMSA's inspection, NNG stated that the procedure and form will be

revised in the second half of 2024 for recording the results. NNG must amend its written procedures to comply with the requirements of § 192.736(c) to ensure that all relevant data from maintenance and performance tests are documented.

5. § 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.

NNG's O&M Procedure, entitled "010.310 Management of Change" (O&M 010.310), was inadequate because it failed to include the requirement for the 30-day notification to PHMSA OPS after adopting a substantial change to the program, per the requirements of § 192.909(b). Specifically, O&M 010.310, section 3.2.5, "Communication to affected parties," stated that NNG must "identify who will make notification of the changes and who will be notified of the changes," but failed to include notification to PHMSA OPS within 30 days if the change is substantial. The procedure was amended after the inspection and found to be acceptable. Therefore, no further action is needed by NNG.

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 Enforcement 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

90 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 NNG maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Gregory A. Ochs, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2024-070-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings

cc: Thomas Correll, Director, Pipeline Safety, Northern Natural Gas,
thomas.correll@nngco.com
John Gormley, Sr. Corrosion Specialist, Northern Natural Gas,
john.gormley@nngco.com
Keith Good, Pipeline Safety Specialist, Northern Natural Gas,
keith.good@nngco.com