

JUNE 2, 2014

Mr. Steven L. Bietz
Chief Executive Officer and President
WBI Energy Transmission, Inc.
1250 W. Century Avenue
Bismark, ND 58503

Re: CPF No. 5-2013-1015

Dear Mr. Bietz:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and specifies actions that need to be taken by WBI Energy Transmission, Inc. to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Western Region, this enforcement action will be closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, Director, Western Region, OPS
Mr. Scott Fradenburgh, Vice President of Operations, WBI Energy Transmission, Inc.

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of	)	
	)	
WBI Energy Transmission, Inc.,	)	CPF No. 5-2013-1015
	)	
Respondent.	)	
	)	

FINAL ORDER

On May 21-25 and June 25-29, 2012, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the operating and maintenance procedures and records of WBI Energy Transmission, Inc. (WBI or Respondent) in Glendive, Montana. WBI, a subsidiary of MDU Resources Group, Inc., operates approximately 1,800 miles of natural gas pipelines in Montana, Wyoming, and the Dakotas.¹

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated December 12, 2013, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that WBI had violated 49 C.F.R. § 192.935(a) and proposed ordering Respondent to take certain measures to correct the alleged violation.

After requesting and receiving an extension of time, WBI responded to the Notice by letter dated February 14, 2014 (Response). The company did not contest the allegation of violation and expressed its intent to complete the actions set forth in the proposed compliance order. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

In its Response, WBI did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192, as follows:

¹ See Pipeline Safety Violation Report (Violation Report), (September 17, 2013) (on file with PHMSA), at 1.

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.935(a), which states:

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

(a) General requirements. An operator must take additional measures beyond those already required by Part 192 to prevent a pipeline failure and to mitigate the consequences of a pipeline failure in a high consequence area. An operator must base the additional measures on the threats the operator has identified to each pipeline segment. (See §192.917) An operator must conduct, in accordance with one of the risk assessment approaches in ASME/ANSI B31.8S (incorporated by reference, see §192.7), section 5, a risk analysis of its pipeline to identify additional measures to protect the high consequence area and enhance public safety. Such additional measures include, but are not limited to, installing Automatic Shut-off Valves or Remote Control Valves, installing computerized monitoring and leak detection systems, replacing pipe segments with pipe of heavier wall thickness, providing additional training to personnel on response procedures, conducting drills with local emergency responders and implementing additional inspection and maintenance programs.

The Notice alleged that Respondent violated 49 C.F.R. § 192.935(a) by failing to fully analyze risks on its pipelines that traverse high consequence areas (HCAs) and identify additional preventative and mitigative measures to enhance safety. Specifically, the Notice alleged that WBI's risk analysis relating to the need for automatic or remote control valves was based on a report that did not consider factors beyond immediate injury such as prolonged flame exposure to emergency responders, danger to people in hard to evacuate areas, impacts on key transportation corridors, and the risk of wildfires.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.935(a) by failing to fully analyze risks on its pipelines that traverse HCAs and identify additional preventative and mitigative measures to enhance safety.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for Respondent's violation of 49 C.F.R. § 192.935(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following

actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 192.935(a) (**Item 1**), Respondent must conduct a risk analysis and evaluation of its HCA pipelines to determine if automatic shut-off valves or remote control valves would be an efficient means of adding protection to a HCA in the event of a rupture or other failure and minimizing the consequences of a gas release.
2. Respondent must complete the actions in Item 1 above within 180 calendar days of receipt of this Order.
3. It is requested (not mandated) that WBI maintain documentation of the safety improvement costs associated with fulfilling this compliance order and submit the total to the Director. It is requested that these costs be reported in two categories: (1) total cost associated with preparation or revision of plans, procedures, studies, and analyses; and (2) total cost associated with repairs, replacements, additions, and other changes to physical pipeline facilities.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in administrative assessment of civil penalties not to exceed \$200,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued