



U.S. Department
Of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

NOTICE OF AMENDMENT

EXPRESS OVERNIGHT DELIVERY

April 25, 2011

Mr. Charles Denault
President
Delaware Storage and Pipeline Company
400 Amherst Street Suite 202
Nashua, NH 03063

CPF 1-2011-6001M

Dear Mr. Denault:

From December 7 to 10, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Delaware Storage and Pipeline Company (DSPC) procedures for 49 CFR Part 195 requirements in Little Creek, Delaware.

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

1. **§ 195.234 Welds: Nondestructive testing.**
 - (b) **Any nondestructive testing of welds must be performed—**
 - (1) **In accordance with a written set of procedures for nondestructive testing; and**
 - (2) **With personnel that have been trained in the established procedures and in the use of the equipment employed in the testing.**

The DSPC Standard Operating Procedure (SOP) for pipeline welding (revision date of February 26, 2007) lists “Inspections\Frequency (a) See Non-destructive testing section” on Page 2.

However, no non-destructive testing section was found in the pipeline welding SOP that addresses inspections or frequency. DSPC representatives could not explain the apparent omission of that non-destructive testing section in the welding SOP.

2. § 195.266 Construction records.

A complete record that shows the following must be maintained by the operator involved for the life of each pipeline facility:

(a) The total number of girth welds and the number nondestructively tested, including the number rejected and the disposition of each rejected weld.

DSPC representatives were not able to find any instruction, procedure, or SOP that addresses this regulation requirement. DSPC representatives could not explain the apparent omission in the DSPC procedures.

3. § 195.302 General requirements.

(a) Except as otherwise provided in this section and in §195.305(b), no operator may operate a pipeline unless it has been pressure tested under this subpart without leakage. In addition, no operator may return to service a segment of pipeline that has been replaced, relocated, or otherwise changed until it has been pressure tested under this subpart without leakage.

Pressure testing a segment of pipeline that has been replaced, relocated or otherwise changed is not addressed in the DSPC Operations and Maintenance (O&M) plan or Emergency Response manual. DSPC representatives could not explain the apparent omission in the DSPC procedures.

4. § 195.305 Testing of components.

(a) Each pressure test under §195.302 must test all pipe and attached fittings, including components, unless otherwise permitted by paragraph (b) of this section.

Pressure testing of all pipe and attached fittings, including components, is not addressed in DSPC procedures. DSPC representatives could not explain the apparent omission in the DSPC procedures.

5. § 195.308 Testing of tie-ins.

Pipe associated with tie-ins must be pressure tested, either with the section to be tied in or separately.

Pressure testing of pipe associated with tie-ins is not addressed in DSPC procedures. DSPC representatives could not explain the apparent omission in the DSPC procedures.

6. § 195.402 Procedural manual for operations, maintenance, and emergencies.

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

(13) Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.

Periodically reviewing the work done by operator personnel to determine the effectiveness of O&M procedures, and taking corrective action on deficiencies found, is not addressed in DSPC procedures. DSPC representatives could not explain the apparent omission in the DSPC procedures.

7. §195.589 What corrosion control information do I have to maintain?

- (a) You must maintain current records or maps to show the location of—**
- (1) Cathodically protected pipelines;**
 - (2) Cathodic protection facilities, including galvanic anodes, installed after January 28, 2002; and**
 - (3) Neighboring structures bonded to cathodic protection systems.**
- (b) Records or maps showing a stated number of anodes, installed in a stated manner or spacing, need not show specific distances to each buried anode.**
- (c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to §§195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.**

The retention of corrosion control records is not addressed in DSPC procedures. DSPC representatives could not explain the apparent omission in the DSPC procedures.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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). 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 a Final Order.

If, after opportunity for a hearing, 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. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within **60** 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 DSPC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. In correspondence concerning this matter, please refer to **CPF 1-2011-6001M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

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