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

UPS OVERNIGHT DELIVERY

April 4, 2012

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

CPF 1-2012-5008M

Dear Mr. Denault:

From May 16 to 20, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code conducted an inspection on Interstate Storage and Pipeline Co., Bordentown's, New Jersey facility.

On the basis of the inspection, PHMSA has identified the apparent inadequacies of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations found within Interstate Storage and Pipeline Co. plans or procedures, as described below:

1. **§195.505 Qualification program.**

   Each operator shall have and follow a written qualification program. The program shall include provisions to:

   (g) Identify those covered tasks and the intervals at which evaluation of the individual's qualifications is needed.

   Interstate Storage Pipeline's Operator Qualification Program failed to include provisions for determining the AOC's for covered tasks and for defining the intervals at which evaluation of the individual's qualifications for a covered task is needed. For example, the O&M procedure related to rectifier inspections does not address AOC's and does not provide details on when requalification is required.

2. **§195.402 Procedural manual for operations, maintenance, and emergencies.**

   (e) Emergencies. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs;

(1) Receiving, identifying, and classifying notices of events which need immediate response by the operator or notice to fire, police, or other appropriate public officials and communicating this information to appropriate operator personnel for corrective action.

Interstate Storage and Pipeline Co. failed to provide a procedure in their O&M manual (ISPC's SOP) which provides details as to how to receive, identify, and classify notices of events which need immediate response by the operator or notice to fire, police or other appropriate public officials and communicate this information to appropriate operator personnel for corrective action.

3. **§195.555 What are the qualifications for supervisors?**

You must require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures established under Sec. 195.402(c)(3) for which they are responsible for insuring compliance.

The Interstate Storage and Pipeline Co. procedures are inadequate in that they fail to define the criteria for how they require and verify that a supervisor has maintained a thorough knowledge of that portion of the corrosion control procedures established under Sec. 195.402(c)(3) for which they are responsible for insuring compliance.

4. **§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:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

The Interstate Storage and Pipeline Co. failed to include a written procedure which specifies the criteria to be used to show compliance with the cathodic protection program of its pipeline as required by 49 CFR Part§195.571.

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 **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 Interstate Storage and Pipeline Co. maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to, as well as any correspondence relating to this Notice to: Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2012-5008M** on each document you submit, and please provide a (signed) copy in electronic format whenever possible. Smaller files may be emailed to Byron.Coy@dot.gov. Larger files should be sent on a CD accompanied by the original (signed) paper copy to the Eastern Region Office.

Sincerely,

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

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