

## NOTICE OF AMENDMENT

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 25, 2009

Mr. Robert S. Bahnick  
Sr. Vice President of Operations and Technical Services  
Southern Star Central Gas Pipeline Inc.  
4700 Hwy 56  
Owensboro, KY 42301

**CPF 3-2009-1020M**

Dear Mr. Bahnick:

On July 7-9, 2009, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Southern Star Central Gas Pipeline, Inc.'s procedures for Operations and Maintenance and emergencies in Lenexa, Kansas.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Southern Star Central Gas Pipeline, Inc.'s plans or procedures, as 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.**
  - (d) Safety-related condition reports. The manual required by paragraph (a) of this section must include instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of §191.23 of this subchapter.**

**§191.25 – Filing safety related condition reports**

- (a) Each report of a safety-related condition under §191.23(a) must be filed (received by the Associate Administrator, OPS) in writing within five working days (not including Saturday, Sunday, or Federal Holidays) after the day a representative of the operator first determines that the condition exists, but not later than 10 working days after the day a representative of the operator discovers the condition. Separate conditions may be described in a single report if they are closely related. Reports may be transmitted by telefacsimile (fax), dial (202) 366-7128.**

Procedure to submit the SRCR did not have the fax number in the procedure.

**2. §192.605 Procedural manual for operations, maintenance, and emergencies.**

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

- (1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.**
- (5) Starting up and shutting down any part of the pipeline in a manner designed to assure operation within the MAOP limits prescribed by this part, plus the build-up allowed for operation of pressure-limiting and control devices.**

Section 15.03.00.03 and 70.09.01.03 – Start up and shut down of P/L. Procedure needs to define what build-up is.

**3. §192.605(b) (see above)**

- (11) Responding promptly to a report of a gas odor inside or near a building, unless the operator's emergency procedures under §192.615(a)(3) specifically apply to these reports.**

On page 3 of 30, Southern Star procedure indicated that callers should put out any ignition sources prior to leaving a building immediately. The procedure should indicate that people should be instructed to leave immediately, instead of finding all ignition sources first.

**4. §192.605 Procedural manual for operations, maintenance, and emergencies.**

**(c) Abnormal operation. For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:**

- (2) Checking variations from normal operation after abnormal operation has ended at sufficient critical locations in the system to determine continued integrity and safe operation**

More specifics are needed as the procedure does not indicate that the checking of facilities at critical locations will be done after an abnormal operating condition occurs.

**5. §192.605 Procedural manual for operations, maintenance, and emergencies.**

- (e) **Surveillance, emergency response, and accident investigation. The procedures required by §§192.613(a), 192.615, and 192.617 must be included in the manual required by paragraph (a) of this section.**

**§192.613 Continuing Surveillance.**

- (b) **If a segment of pipeline is determined to be in unsatisfactory condition but no immediate hazard exists, the operator shall initiate a program to recondition or phase out the segment involved, or, if the segment cannot be reconditioned or phased out, reduce the maximum allowable operating pressure in accordance with §192.619 (a) and (b).**

Procedure did not contain enough information on what to do. Procedure should at least spell out the steps or criteria that Southern Star is going to base the pressure reduction on.

**6. §192.605(a) (see above)**

**§192.614 Damage prevention program.**

- (a) **Except as provided in paragraphs (d) and (e) of this section, each operator of a buried pipeline must carry out, in accordance with this section, a written program to prevent damage to that pipeline from excavation activities. For the purposes of this section, the term “excavation activities” includes excavation, blasting, boring, tunneling, backfilling, the removal of aboveground structures by either explosive or mechanical means, and other earthmoving operations.**
- (c) **The damage prevention program required by paragraph (a) of this section must, at a minimum:**
- (5) **Provide for temporary marking of buried pipelines in the area of excavation activity before, as far as practical, the activity begins.**

Procedure did not contain the means for temporarily marking the pipeline in the vicinity of the excavation. Upon further checking, Procedure 70.12.00.02 Section 1.3 under line markers had something about temporary marking. This information should either be referenced or put in the damage prevention section.

**7. §192.605(a) (see above)**

**§192.614(c) (see above)**

- (6) **Provide as follows for inspection of pipelines that an operator has reason to believe could be damaged by excavation activities:**

- (i) **The inspection must be done as frequently as necessary during and after the activities to verify the integrity of the pipeline;**

Procedure 70.10.01.04 Section 3.1.3.1 should be re-worded to indicate that this section applies to the entire pipeline, not just HCA areas and Class 3 and 4 areas.

8. **§192.605** (see above)

**§192.735 Compressor stations: Storage of combustible materials.**

- (a) **Flammable or combustible materials in quantities beyond those required for everyday use, or other than those normally used in compressor buildings, must be stored a safe distance from the compressor building.**

Procedure 15.05.01.01 appears to indicate that storage of 1100 gallons of oil next to the compressor building is acceptable. Southern Star has indicated that this is not the case. It appears that this procedure needs some clarification, as Southern Star personnel indicated that they do not allow 1100 gallons of oil to be stored right next to a compressor building per 192.735.

9. **§192.605** (see above)

**§192.615 Emergency plans.**

- (a) **Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:**
  - (10) **Beginning action under §192.617, if applicable, as soon after the end of the emergency as possible.**

Procedure could use some clarification because it appears that all failures require a root cause analysis per procedures; but in the field, it was found that not all failures do receive a root cause analysis. For example, if the failure is clearly third party damage, a root cause analysis may not necessarily be done.

10. **§192.605** (see above)

**§192.617 Investigation of failures.**

**Each operator shall establish procedures for analyzing accidents and failures, including the selection of samples of the failed facility or equipment for laboratory examination, where appropriate, for the purpose of determining the causes of the failure and minimizing the possibility of a recurrence.**

Chain of Custody form and procedures should be added to this section.

11. §192.605 (see above)

**§192.625 Odorization of gas.**

- (f) To assure the proper concentration of odorant in accordance with this section, each operator must conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable.**

Southern Star annually checks the individual odorant pots on their farm taps. However, this procedure is not in the O&M, but rather it is considered a best practice. The procedure should be modified to include the checking of these individually odorized lines.

12. §192.605 (see above)

**§192.627 Tapping pipelines under pressure**

- Each tap made on a pipeline under pressure must be performed by a crew qualified to make hot taps.**

It is recommended that the Procedure include that NDT will be done on the pipe prior to any hot tapping work.

13. §192.605 (see above)

**§192.719 Transmission lines: Testing of repairs.**

- (b) Testing of repairs made by welding. Each repair made by welding in accordance with §§192.713, 192.715, and 192.717 must be examined in accordance with §192.241.**

It is recommended that the Procedure include that NDE will be done on Type B Sleeve Repairs.

14. §192.605 (see above)

**§192.751 Prevention of accidental ignition.**

- (a) When a hazardous amount of gas is being vented into open air, each potential source of ignition must be removed from the area and a fire extinguisher must be provided.**

Need to add that fire extinguishers will be available in Section 10.19.01.01 Paragraph 4.1., and not just when natural gas is being vented.

15. §192.605 (see above)

**§192.225 Welding Procedures**

- (a) **Welding must be performed by a qualified welder in accordance with welding procedures qualified under section 5 of API 1104 (incorporated by reference, see §192.7) or section IX of the ASME Boiler and Pressure Vessel Code "Welding and Brazing Qualifications" (incorporated by reference, see §192.7) to produce welds meeting the requirements of this subpart. The quality of the test welds used to qualify welding procedures shall be determined by destructive testing in accordance with the applicable welding standard(s).**

Section 90.02.00.02 Paragraph 1.1 should be revised to indicate that the latest adopted edition of API 1104 will be utilized.

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.

In correspondence concerning this matter, please refer to **CPF 3-2009-1020M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Ivan A. Huntoon  
Director, Central Region  
Pipeline and Hazardous Materials Safety Administration

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