

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 26, 2014

Mr. Gary Kaiser
Sr. Vice President
Georgia Pacific, LLC
P.O. Box 3333
Crossett, AR 71635

CPF 4-2014-1009M

Dear Mr. Kaiser:

During the months December 2013 thru May 2014, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Georgia Pacific, LLC (GP) procedures for Operations and Maintenance and the Integrity Management Plan in the field offices located in Crossett, AR. and Pasadena, TX.

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

1. § 192.907 What must an operator do to implement this subpart?

(b) Implementation Standards. In carrying out this subpart, an operator must follow the requirements of this subpart and of ASME/ANSI B31.8S (incorporated by reference, see § 192.7) and its appendices, where specified. An operator may follow an equivalent standard or practice only when the operator demonstrates the alternative standard or practice provides an equivalent level of safety to the public and property. In the event of a conflict between this subpart and ASME/ANSI B31.8S, the requirements in this subpart control.

The GP Pipeline Integrity Management Program, Natural Gas Transmission Pipeline Integrity Policy, section 1.0 Purpose and Objectives, does not account for following an equivalent standard or practice, when the operator demonstrates that the alternative standard or practice provides an equivalent level of safety to the public and property.

GP must amend its process to adequately describe the operator's actions if the operator decides to implement an alternative standard or practice, and document why the equivalent standard was not implemented.

2. § 192.917 How does an operator identify potential threats to pipeline integrity and use the threat identification in its integrity program?

(a) *Threat identification.* An operator must identify and evaluate all potential threats to each covered pipeline segment. Potential threats that an operator must consider include, but are not limited to, the threats listed in ASME/ANSI B31.8S (incorporated by reference, see § 192.7), section 2, which are grouped under the following four categories:

- (1) Time dependent threats such as internal corrosion, external corrosion, and stress corrosion cracking;**
- (2) Static or resident threats, such as fabrication or construction defects;**
- (3) Time independent threats such as third party damage and outside force damage; and**
- (4) Human error.**

The GP Pipeline Integrity Management Program, section 6.1.2 Potential Threat Impact Identification and the GP Pipeline Integrity Management Procedure IMP-6-003 Risk Assessment, section 2.1.7 Threat Identification do not consider the interactive nature of threats (i.e., more than one threat occurring on a section of pipeline at the same time).

GP must amend its process and procedures to adequately describe the requirements for identifying and evaluating threats.

3. § 192.917 How does an operator identify potential threats to pipeline integrity and use the threat identification in its integrity program?

(c) *Risk assessment.* An operator must conduct a risk assessment that follows ASME/ANSI B31.8S, section 5, and considers the identified threats for each covered segment. An operator must use the risk assessment to prioritize the covered segments for the baseline and continual reassessments (§§ 192.919, 192.921, 192.937), and to determine what additional preventive and mitigative measures are needed (§ 192.935) for the covered segment.

The GP Pipeline Integrity Management Program processes, section 6.0 Potential Integrity Management Plan under the Risk Assessment & Inspection Schedule and the Post Assessment paragraphs and sections 6.2.3 Develop Annual Assessment Plan and 6.3 Implementation of Annual Assessment Plan all have language that is not in compliance with § 192.917(c) Risk Assessment code requirements. The processes mentioned above all have a paragraph stating:

*“It is important note that at this time the Company’s IM Plan only encompasses one segment of the pipeline system that has been identified as an HCA therefore the formulation and review of an annual assessment plan is **not applicable at this time** (emphasis added). However, this language and reference to an annual assessment plan has been preserved within the IM Plan in order for the Company to be prepared to implement an annual assessment plan should another separate segment of the pipeline system be identified as an HCA.”*

GP must amend its Pipeline Integrity Management Program’s Risk Assessment processes by removing the paragraph noted above throughout their plan in order to meet the requirements § 192.917(c) Risk Assessment and the referenced ASME/ANSI B31.8S, section 5.

Additionally, the GP Pipeline Integrity Management Procedure IMP-6-003 Risk Assessment lacks language that directs the operator to document the actual risk assessment being performed.

GP must amend Procedure IMP-6-003 Risk Assessment and add language that better directs the operator to properly document the actual risk assessment being performed.

4. § 192.937 What is a continual process of evaluation and assessment to maintain a pipeline's integrity?

(a) Evaluation. An operator must conduct a periodic evaluation as frequently as needed to assure the integrity of each covered segment. The periodic evaluation must be based on a data integration and risk assessment of the entire pipeline as specified in § 192.917. For plastic transmission pipelines, the periodic evaluation is based on the threat analysis specified in 192.917(d). For all other transmission pipelines, the evaluation must consider the past and present integrity assessment results, data integration and risk assessment information (§ 192.917), and decisions about remediation (§ 192.933) and additional preventive and mitigative actions (§ 192.935). An operator must use the results from this evaluation to identify the threats specific to each covered segment and the risk represented by these threats.

The GP Pipeline Integrity Management Program, section 6.3.1 Perform Planned Assessments and the GP Pipeline Integrity Management Procedure IMP-6-010 Continual Process for Evaluation and Assessment, section 2.1. Procedure, does not adequately describe a process for performing periodic evaluations of pipeline integrity.

GP must amend its process and procedures to include requirements for a periodic evaluation of pipeline integrity based on data integration and risk assessment to identify the threats specific to each covered segment and the risk represented by these threats.

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 45 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 Georgia Pacific, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2014-1009M** and, for each document you submit, please provide a copy in electronic format whenever possible.

In regards to Items listed above, Georgia Pacific, LLC provided revised procedures via email on several dates throughout the inspection. These procedure submittals were reviewed and deemed adequate. No further action is required in response to this Notice and this case is now closed. Thank you for your cooperation.

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

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