



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

November 26, 2013

Mr. Barry Cigich
Vice President Operations and Engineering
Inergy Midstream
Two Brush Creek Boulevard, Suite 200
Kansas City, MO 64112

CPF 1-2013-1032M

Dear Mr. Cigich:

Between August 27-30, 2012, inspectors from the New York State Department of Public Service (NYSDPS), acting as agents for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the **Steuben Gas Storage Company** (Steuben Gas) public awareness program at Steuben Gas Storage facilities in Canisteo, NY 14823.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Steuben Gas' plans or procedures, as described below.

1. §192.616 Public awareness

(a) Except for an operator of a master meter or petroleum gas system covered under paragraph (j) of this section, each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, see § 192.7).

Steuben Gas' Public Awareness Program is inadequate because it failed to reference the API RP 1162 edition as seen in §192.7 (1st edition, December 2003). Steuben Gas' Public Awareness Program references API RP 1162, but it does not specify the edition of API RP 1162.

There are two editions of API RP 1162. The 1st edition, December 2003, is the only version incorporated by reference in §192.7(c)(2). PHMSA has not adopted the 2nd edition. Therefore, it is important that Steuben Gas specify the edition of API RP 1162 being used to ensure that it complies with the edition incorporated by reference in the PHMSA regulations.

Section I of Steuben Gas' Public Awareness Program states API RP 1162 as the reference but it does not state the edition.

2. §192.616 Public awareness

(a) Except for an operator of a master meter or petroleum gas system covered under paragraph (j) of this section, each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, see § 192.7).

Steuben Gas' Public Awareness Program is inadequate in that it failed to provide guidance on how they demonstrate management support of the program as required by API RP 1162, Section 2.7, Overall Program Administration.

Steuben Gas' original Public Awareness Program and their revised program did not include a signed statement or other documentation to demonstrate management support of the program.

3. §192.616 Public awareness

(a) Except for an operator of a master meter or petroleum gas system covered under paragraph (j) of this section, each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, see § 192.7).

Steuben Gas' Public Awareness Program is inadequate because it failed to follow the general program recommendations of API RP 1162 Section 7.1b.

Steuben Gas' Public Awareness Program does not contain the name of the individual responsible for the program administration or the roles and responsibilities of any of the personnel involved with the administration of the program. Likewise, the program does not contain information describing the resources committed for administering the program.

API RP 1162, Sections 7.1 (b-c) specify:

7.1 Program Documentation

Each operator of a hazardous liquid pipeline system, natural gas transmission pipeline system, gathering pipeline system or a natural gas distribution system should establish (and periodically update) a written Public Awareness Program designed to cover all required components of the program described in this RP. The written program should include:

b. A description of the roles and responsibilities of personnel administering the program.

And

c. identification of key personnel and their titles (including senior management responsible for the implementation, delivery and ongoing development of the program).

Steuben Gas' Public Awareness Program does not provide the names of the personnel, the specific roles and responsibilities or the processes and procedures to implement the Public Awareness Program.

4. §192.616 Public awareness

(a)...

(b) The operator's program must follow the general program recommendations of API RP1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program was inadequate because it failed to follow the general program recommendations of API RP 1162 Section 2.7 Step 4 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program did not include a description of its facilities.

API RP 1162, Section 2.7 Program Development Guide states:

It is recommended that pipeline operators develop a written Public Awareness Program. The following guide may be helpful to pipeline operators in the development and implementation of their Public Awareness Programs.

- Step 4. Identify Pipeline Assets to be Included within the Program
The overall program may be a single Public Awareness Program for all pipeline assets, or may be divided into individual, asset-specific programs for one or more specific pipeline systems, one or more pipeline segments, one or more facilities, or one or more geographic areas. Smaller companies and LDCs may have just one overall program.

Steuben Gas' Public Awareness Program provides generic information within API RP 1162 but does not contain specific information describing Steuben Gas' facilities.

5. §192.616 Public awareness

(a)...

(b) The operator's program must follow the general program recommendations of API RP1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program was inadequate because it failed to follow the general program recommendations of API RP 1162 Section 3 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

API RP 1162, Section 3 Stakeholder Audiences states:

One of the initial tasks in developing a Public Awareness Program is to identify the audience(s) that should receive the program's messages. This section defines the intended audiences for the operator's Public Awareness Program and provides examples (not all inclusive) of each audience. Further exprogramation and examples are included in Appendix B. This information should help the operator clarify whom it is trying to reach with its program. The following audiences are considered "stakeholders" of the pipeline operator's Public Awareness Program. The four intended "Stakeholder Audiences" include:

- Affected public
- Emergency officials
- Local public officials
- Excavators.

Steuben Gas stated it identified the affected public from Right-of-Way (ROW) lists, the public and emergency officials based on the local municipalities, but did not identify any excavators to include on its distribution lists since it believed the information was distributed through one-call meetings.

Steuben Gas incorporated tables from API RP 1162 into the program and stated they were used to identify the stakeholders. However, the written program does state the methods used to identify the stakeholders or reference the use of the tables for the identification process.

Steuben Gas' Public Awareness Program did not detail the process, procedures or methods it used to identify stakeholders.

6. §192.616 Public awareness

(a)...

(b) The operator's program must follow the general program recommendations of API RP1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program was inadequate because it failed to follow the general program recommendations of API RP 1162 Section 3 Stakeholder audiences, and assess the unique attributes and characteristics of the operator's pipeline and facilities, and referred to Appendix B of API RP 1162.

Steuben Gas' Public Awareness Program does not adequately identify or define the buffer/area/boundary/extent of notifications used for identifying stakeholders who should be included on their contact lists.

API RP 1162 Section 3 Stakeholder Audience defines the intended audiences that should be included in the public awareness program. For further exprogramations and examples, operators are referred to Appendix B of API RP 1162. In Appendix B of API RP 1162, under B.1.1 Affected Public, it states that "transmission pipeline operator should tailor its communication coverage area (buffer) to fit its particular pipeline, location, and potential impact consequences."

Steuben Gas' Public Awareness Program does not have the process/procedures/methods for identifying the buffer area distance around its facilities to notify stakeholders and it does not detail the considerations for the identification of the affected stakeholders and buffer area.

7. §192.616 Public awareness

(a)...

(b) The operator's program must follow the general program recommendations of API RP1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program was inadequate because it failed to follow the general program recommendations of API RP 1162 Section 7.1 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program does not specifically include the required information detailing the process or procedures for identifying the methods of communication or the frequency of delivery.

API RP 1162, Section 7.1 Program Documentation states that:

"Each operator of a hazardous liquid pipeline system, natural gas transmission pipeline system, gathering pipeline system or a natural gas distribution pipeline system should establish (and periodically update) a written Public Awareness Program designed to cover all required components of the program described in this RP.

The written program should include:

d. Identification of the media and methods of communication to be used in the program, as well as the basis for selecting the chosen method and media.

e. Documentation of the frequency and the basis for selecting that frequency for communicating with each of the targeted audiences..."

Steuben Gas' Public Awareness Program has generic information regarding what type of communications that should be distributed. API RP 1162 table 2-1 is included but not referenced as being used in the written program process or procedures. The Public Awareness program does not detail the process/procedures/method for determining the type and frequency of communications to be distributed.

8. §192.616 Public awareness

(a)...

(b) The operator's program must follow the general program recommendations of API RP1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program was inadequate because it failed to follow the general program recommendations of API RP 1162 Section 8, and access the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program does not specifically include guidance detailing the process or procedures for the program evaluations.

API RP 1162, Section 8 Program Evaluation states that:

“ This section provides guidance to operators on how to periodically evaluate their Public Awareness Programs. The overall written program for the Public Awareness Program should include a section describing the operator's evaluation program that includes the baseline elements described in the following paragraphs. Also included are suggestions for operators to consider in periodically supplementing their evaluation efforts in a particular segment, with a selected stakeholder audience or to provide greater depth of evaluation. This section includes only a brief description of each element Appendix E provides additional exprogrumations and examples for operator personnel who are new to developing Public Awareness Program evaluations...”

Steuben Gas' Public Awareness program does not contain the process/procedures/method for implementing the program evaluations that are required.

9. §192.616 Public awareness

(a)...

(b) The operator's program must follow the general program recommendations of API RP1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program was inadequate because it failed to follow the general program recommendations of API RP 1162 Section 4 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program does not include a process/procedure/method for identifying when it should be conducting their program in other languages commonly understood by a significant number of non-English speaking populations.

API RP 1162 Section 4 Message Content states that:

“an operator should select the optimum combination of messages, delivery methods, and frequency that meets the needs of the intended audience . . . communications materials should be provided in the language(s) spoken by a significant portion of the intended audience.”

During the review, the Steuben Gas representatives stated that they know the stakeholders on its mailing lists and that none of them are non-English speaking. Steuben Gas' Public Awareness Program does not detail the process/procedures/method for determining whether to distribute the Public Awareness material in a language other than English.

10. §192.616 Public awareness

(a)...

(b) The operator's program must follow the general program recommendations of API RP1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program was inadequate because it failed to follow the general program recommendations of API RP 1162 Section 4 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas mailed a letter with a calendar to various stakeholders and the content of the mailing did not contain all of the information referenced in API RP 1162 Section 4.

API RP 1162, Section 4 states that:

“An operator should select the optimum combination of message, delivery method, and frequency that meets the needs of the intended audience. Information materials may also include supplemental information about the pipeline operator, pipeline operations, the safety record of pipelines and other information that an operator deems appropriate for the audience...” The communications should include enough information so that in the event of a pipeline emergency, the intended audience will know how to identify a potential hazard, protect themselves, notify emergency response personnel, and notify the pipeline operator. Several components of these messages are discussed in this section.”

From 2006 to 2011 Steuben Gas said it performed its own mailings and in 2012 obtained a vendor to perform the mailing function.

Steuben Gas representatives said that Steuben Gas used a standard letter with additional calendar for each mailing which did not contain all of the required content. In 2012, Steuben Gas contracted with a vendor to develop and distribute a new mailing brochure. The new brochure does not contain all of the required items mentioned under API RP 1162

11. §192.616 Public awareness

(a)...

(b) The operator's program must follow the general program recommendations of API RP1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program is inadequate because it failed to follow the general recommendations of API RP 1162 Section 4, and 5, and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program does not include guidance detailing the process or procedures for developing and delivering messages to advise affected municipalities, school districts, and businesses of the pipeline facility location.

API RP 1162 Section 4 Message Content states:

An operator should select the optimum combination of message, delivery method, and frequency that meets the needs of the intended audience. Information materials may also include supplemental information about the pipeline operator, pipeline operations, the safety record of pipelines and other information that an operator deems appropriate for the audience. The operator is reminded that communications materials should be provided in the language(s) spoken by a significant portion of the intended audience. The basic message conveyed to the intended audience should provide information that will allow the operator to meet the program objectives. The communications should include enough information so that in the event of a pipeline emergency, the intended audience will know how to identify a potential hazard, protect themselves, notify emergency response personnel, and notify the pipeline operator. Several components of these messages are discussed in this section.

API RP 1162 Section 5 Message Delivery Methods and/or Media states:

This section describes several delivery methods and tools available to pipeline operators to foster effective communications with the intended stakeholder audiences previously described. The operator is reminded that not all methods are effective in all situations. The content of the communication efforts should be tailored to:

- Needs of the audience
- Type of pipeline and/or facilities
- Intent of the communication, and
- Appropriate method/media for the content.

A more detailed discussion of the summary information below is provided in Appendix D.

Steuben Gas' lists of mailings contained the various required stakeholders included in these groups. Steuben Gas indicated that it will be expanding the lists when it defines the areas and distances on either side of the pipeline to ensure it notifies these affected stakeholders.

Steuben Gas' Public Awareness Program does not contain the process/procedures/method for implementing the program requirements since it has not fully defined these affected stakeholders through the expanded area on either side of its facilities

12. §192.616 Public awareness

(a)...

(b) The operator's program must follow the general program recommendations of API RP1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program is inadequate because it failed to follow the general program recommendations of API RP 1162 Section 6.2.

Steuben Gas' Public Awareness Program does not include guidance detailing the process or procedures for program enhancements.

API RP 1162 Section 6.2 Considerations of Relevant Factors states:

When the operator develops its Public Awareness Program and performs subsequent periodic program evaluations, it is recommended that a step for assessing relevant factors along the pipeline

route be included to consider what components of the Public Awareness Program should be enhanced.

The operator should consider each of the following factors applied along the entire route of the pipeline system:

- Potential hazards
- High Consequence Areas
- Population density
- Land development activity
- Land fanning activity
- Third-party damage incidents
- Environmental considerations
- Pipeline history in an area
- Specific local situations
- Regulatory requirements
- Results from previous Public Awareness Program evaluations
- Other relevant needs.

Steuben Gas' Public Awareness Program does not contain the process/procedures/method for implementing program enhancements

13. §192.616 Public awareness

(a)...

(b) The operator's program must follow the general program recommendations of API RP1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program was inadequate because it failed to follow the general program recommended API RP 1162 Section 4.4.3, and assess the unique attributes and characteristic of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program does not detail the process/procedure/methods for the requirements of the interactions with emergency responders.

API RP 1162, Section 4.4.3 Emergency Preparedness Response Programs states:

Operators are required by federal regulations to have emergency response programs. These programs should be developed for use internally and externally, with appropriate officials, and in accordance with applicable federal and state emergency regulations. 49 *CFR* 192 and 195 and some state regulations outline the specific requirements for emergency response programs and who to contact for additional information. The operator should include information about how emergency officials can access the operator's emergency response programs covering their jurisdiction.

14. §192.616 Public awareness

(a)...

(b) The operator's program must follow the general program recommendations of API RP1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program was inadequate because it failed to follow the general program

recommended API RP 1162 Section 4.4.4, and assess the unique attributes and characteristic of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program does not detail the process/procedure/method for substantiating it provided specific response training for the emergency responders.

API RP 1162, Section 4.4.4 Emergency Preparedness – Drills and Exercises states:

A supplemental means of two-way communication about emergency preparedness is to establish a liaison with emergency response officials through operator or joint emergency response drills, exercises or deployment practices. Information on "unified command system" roles, operating procedures and preparedness for various emergency scenarios can be communicated effectively and thoroughly through a hands-on drill or exercise.

15. §192.616 Public awareness

(a)...

(b) The operator's program must follow the general program recommendations of API RP1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program was inadequate because it failed to follow the general program recommended API RP 1162 Section 8.3, and assess the unique attributes and characteristic of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program does not detail the process or procedures for conducting the annual evaluations of the Public Awareness Program.

API RP 1162 Section 8.3 Measuring Program Implementation states that

"The operator should complete an annual audit or review of whether the program has been developed and implemented according to the guidelines in this RP..." and "- Has the public Awareness Program been developed and written to address the objectives, elements and baseline schedule as described Section 2 and remainder of this RP?" and "- Has the Public Awareness Program been implemented and documented according to the written program?...?"

Steuben Gas' Public Awareness Program states the requirement for an annual review and includes the survey forms to implement the review. However Steuben Gas' program does not contain the specifics for implementing any part of the evaluation review including the four year effectiveness evaluation or the requirements for documentation of these reviews

16. §192.616 Public awareness

(a)...

(b) The operator's program must follow the general program recommendations of API RP1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program was inadequate because it failed to follow the general program recommendations of API RP 1162 Section 8.3, and access the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas' Public Awareness Program lacks guidance of the process or procedures for conducting the

annual evaluations of the Public Awareness Program.

API RP 1162 Section 8.3 Measuring Program Implementation states that:

“The operator should complete an annual audit or review of whether the program has been developed and implemented according to the guidelines in this RP...” and “- Has the public Awareness Program been developed and written to address the objectives, elements and baseline schedule as described Section 2 and remainder of this RP?” and “- Has the Public Awareness Program been implemented and documented according to the written program?...?”

Steuben Gas’ program states the requirement for an annual review and includes the survey forms to implement the review. However Steuben Gas’ program does not contain the specifics for implementing any part of the evaluation review including the four year effectiveness evaluation or the requirements for documentation of these reviews.

17. §192.616 Public awareness

(a)...

(b) The operator's program must follow the general program recommendations of API RP1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Steuben Gas’ Public Awareness Program was inadequate because it failed to follow the general program recommendations of API RP 1162 Section 8.4.2, and assess the unique attributes and characteristics of the operator’s pipeline and facilities.

Steuben Gas’ Public Awareness Program does not include guidance of the process or procedures for measuring program effectiveness of the Public Awareness Program.

API RP 1162 Section 8.4.2 Measure 2– Understandability of the Content Message states that:

“Program effectiveness surveys are meant to validate the operator’s methodologies and the content of the materials used. Upon initial survey, improvements should be incorporated into the program based on the results. Once validated in this initial manner, a program effectiveness survey is only required about every four years. However, when the operator introduces major design changes in its Public Awareness Program a survey to validate the new approaches may be warranted...”

Steuben Gas’ Public Awareness Program did not include a process or procedures for measuring the effectiveness of the program. Steuben Gas’ Public Awareness Program states the requirement for an annual review and includes the survey forms to implement the review. However the Steuben Gas’ program does not contain specifics for implementing any part of the evaluation review including the four year effectiveness evaluation or the requirements for documentation of these reviews.

Response to this Notice

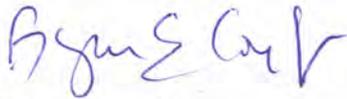
This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit 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 Steuben Gas Storage Company 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 1-2013-1032M** 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,

A handwritten signature in blue ink that reads "Byron Coy".

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

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

Cc: Kevin Speicher, NYSDPS