



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

1200 New Jersey Avenue, SE
Washington, DC 20590

April 26, 2023

VIA ELECTRONIC MAIL TO: massimo.insulla@eni.com

Mr. Massimo Insulla
President and Chief Executive Officer
Eni US Operating Co. Inc.
3800 Centerpoint Drive, Suite 300
Anchorage, Alaska 99503

Re: CPF No. 5-2022-028-NOPV

Dear Mr. Insulla:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and finds that Eni US Operating Co. Inc., has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

ALAN KRAMER
MAYBERRY

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KRAMER MAYBERRY
Date: 2023.04.25
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Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Dustin Hubbard, Director, Western Region, Office of Pipeline Safety, PHMSA
Mr. Larry Burgess, SEQ Manager-Alaska, Eni US Operating Co. Inc.,
larry.burgess@eni.com
Mr. David Hart, Operations Manager-Alaska, Eni US Operating Co. Inc.,
david.hart@eni.com

CONFIRMATION OF RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)	
)	
Eni US Operating Co. Inc.,)	CPF No. 5-2022-028-NOPV
)	
Respondent.)	
)	

FINAL ORDER

From August 2 through August 6, 2021, pursuant to 49 U.S.C. § 60117, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Eni US Operating Co. Inc. (Eni or Respondent) in Anchorage and North Slope Borough, Alaska. Eni operates 25.4 miles of hazardous liquid pipeline in the North Slope Borough of Alaska.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated September 7, 2022, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Eni had committed three violations of 49 C.F.R. Part 195 and proposed ordering Respondent to take certain measures to correct the alleged violations. The Notice also included an additional four warning items pursuant to 49 C.F.R. § 190.205, which warned the operator to correct the probable violations or face possible future enforcement action.

Eni responded to the Notice by letter dated September 20, 2022 (Response). Eni contested one of the allegations, offered additional information, and provided amended procedures in response to the Notice. Respondent did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

The Notice alleged that Respondent violated 49 C.F.R. Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.446(c)(4), which states:

§ 195.446 Control room management.

(a)

(c) *Provide adequate information.* Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:

(1)

(4) Test any backup SCADA systems at least once each calendar year, but at intervals not to exceed 15 months;

The Notice alleged that Respondent violated 49 C.F.R. § 195.446(c)(4) by failing to conduct the required testing of backup SCADA systems at least once each calendar year, but at intervals not to exceed 15 months. Specifically, the Notice alleged that Eni's control room management (CRM) program did not require backup SCADA systems to be tested, even though Eni operated three backup control consoles that required testing.

In its Response, Eni did not contest this item but provided additional information and amended procedures.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 195.446(c)(4) by failing to conduct the required testing of backup SCADA systems at least once each calendar year, but at intervals not to exceed 15 months.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 195.446(e)(3), which states:

§ 195.446 Control room management.

(a)

(e) *Alarm management.* Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:

(1)

(3) Verify the correct safety-related alarm set-point values and alarm descriptions when associated field instruments are calibrated or changed and at least once each calendar year, but at intervals not to exceed 15 months;

The Notice alleged that Respondent violated 49 C.F.R. § 195.446(e)(3) by failing to verify the correct safety-related alarm set-point valves and alarm descriptions when associated field instruments were calibrated or changes, at least once per calendar year, but at intervals not to exceed 15 months. Specifically, the Notice alleged that Eni was unable to provide documentation to establish that it reviewed set point valves and alarm descriptions.

In its Response, Eni did not contest this item but provided additional information and amended procedures.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 195.446(e)(3) by failing to verify the correct safety-related alarm set-point valves and alarm descriptions when associated field instruments were calibrated or changes, at least once per

calendar year, but at intervals not to exceed 15 months.

Item 5: The Notice alleged that Respondent violated 49 C.F.R. § 195.446(h)(5), which states:

§ 195.446 Control room management.

(a)

(h) *Training.* Each operator must establish a controller training program and review the training program content to identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months. An operator's program must provide for training each controller to carry out the roles and responsibilities defined by the operator. In addition, the training program must include the following elements:

(1)

(5) For pipeline operating setups that are periodically, but infrequently used, providing an opportunity for controllers to review relevant procedures in advance of their application;

The Notice alleged that Respondent violated 49 C.F.R. § 195.446(h)(5) by failing to include in its training program an opportunity for controllers to review relevant procedures for infrequently used pipeline operating setups in advance of their application. Specifically, the Notice alleged that Eni failed to update its list of infrequent setups during annual manual reviews that would need to be included in its training program.

In its Response, Eni requested clarification stating that while its CRM manual was missing certain infrequently used setups, those setups were included in its training program. Eni stated that it amended its CRM manual to include the missing setups.

After reviewing the record, I find that clarification is warranted. Paragraph C of the PCO in the Notice describes the allegations of violation in Item 6, but references Item 5. In addition, the Notice proposed compliance measures for Item 6, but also listed Item 6 as a warning item. I find that the Notice erroneously referenced Item 5 in paragraph C of the PCO and that Item 6 should have been referenced. I also find that Item 5, not Item 6, should have been listed as a warning item in the Notice.¹ I also note that Eni, in its Response, treated Items 1, 2, and 6 as allegations of violation with proposed compliance measures and treated Items 3, 4, 5, and 7 as warning items, which is consistent with my understanding of the record.

Accordingly, Item 5 is issued as a warning item and is appropriately addressed below.

Item 6: The Notice alleged that Respondent violated 49 C.F.R. § 195.446(j)(1), which states:

§ 195.446 Control room management.

(a)

¹ This clarification is consistent with the Response. Eni stated that Items 1, 2, and 6 "are applicable to the proposed compliance order." In addition, Item 5, and not Item 6, was addressed in section 2 of the Response, which Eni stated provided additional information on each warning item.

(j) *Compliance and deviations.* An operator must maintain for review during inspection:

(1) Records that demonstrate compliance with the requirements of this section;

The Notice alleged that Respondent violated 49 C.F.R. § 195.446(j)(1) by failing to maintain records that demonstrated compliance with the requirements of § 195.446(h). Specifically, the Notice alleged that Eni failed to provide documentation of adequate training program reviews for 2019 and 2020 because the review forms contained limited or no notes.

For the reasons stated above, I find that paragraph C of the PCO should have referenced Item 6 and that Item 6 should not have been listed as a warning item.²

Eni did not contest this allegation of violation in its Response. Eni stated it “acknowledges [the] past deficiency and requests that it be considered that [Eni was] able to demonstrate a pattern of continuous improvement in fulfilling this requirement in 2021.” Eni emphasized that it improved its training program review process after the inspection. Eni also provided amended procedures and records of its 2021 training review that the Director indicated corrected the deficiency described in the Notice. While PHMSA encourages prompt corrective action, the evidence provided by Eni fails to show Eni’s training reviews met the requirements in § 195.446(j)(1) in 2019 and 2020.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 195.446(j)(1) by failing to maintain records that demonstrated compliance with the requirements of § 195.446(h).

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1, 2, and 6 in the Notice for violations of 49 C.F.R. § 195.446. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director has indicated that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 195.446(c)(4) (**Item 1**), Respondent amended its procedures to require annual testing of the backup SCADA systems and conducted a test of the backup SCADA systems.

² This clarification is consistent with the Response. Eni stated that Items 1, 2, and 6 “are applicable to the proposed compliance order.” Eni also included Item 6 in section 1 of the Response, which it stated addressed allegations of violation, and not warning items.

2. With respect to the violation of § 195.446(e)(3) (**Item 2**), Respondent has amended its procedures to provide instructions on how to conduct and document the verification of the correct safety-related alarm set-point values and alarm descriptions when associated field instruments are calibrated or changed and at least once each calendar year, but at intervals not to exceed 15 months and submitted records of the verification of the safety-related alarm set-point values and alarm descriptions.

3. With respect to the violation of § 195.446(j)(1) (**Item 6**), Respondent has amended its procedures to provide instructions on how to conduct and document a review of the controller training program and provided records of the 2021 completed controller training program review.

Accordingly, I find that compliance has been achieved with respect to these violations. Therefore, the compliance terms proposed in the Notice are not included in this Order.

WARNING ITEMS

With respect to Items 3, 4, 5 and 7, the Notice alleged probable violations of Part 195, but identified them as warning items pursuant to § 190.205. The warnings were for:

49 C.F.R. § 195.446(e)(5) (**Item 3**) — Respondent's alleged failure to monitor the content and volume of general activity being directed to and required of each controller at least once per calendar year, but at intervals not exceeding 15 months;

49 C.F.R. § 195.446(f)(1) (**Item 4**) — Respondent's alleged failure to require coordination between control room representatives, operator's management, and associated field personnel when planning and implementing physical changes to pipeline equipment or configuration;

49 C.F.R. § 195.446(h)(5) (**Item 5**) — Respondent's alleged failure to include, in its controller training, an opportunity for controllers to review relevant procedures for infrequently used pipeline operating setups in advance of their application; and

49 C.F.R. § 195.446(j)(1) (**Item 7**) — Respondent's alleged failure to maintain records that demonstrated compliance with the requirements of this section.

Eni presented information in its Response showing that it had taken certain actions to address the cited items. If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of

Chief Counsel, PHMSA, at the same address. The written petition must be received no later than 20 days after receipt of the Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

ALAN KRAMER
MAYBERRY

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Alan K. Mayberry
Associate Administrator
for Pipeline Safety

April 26, 2023

Date Issued