

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

VIA E-MAIL TO MR. DAVID HART

September 7, 2022

Mr. David Hart
Operations Manager
Eni US Operating Co., Inc
3800 Centerpoint Drive, Suite 300
Anchorage, AK 99503

CPF 5-2022-028-NOPV

Dear Mr. Hart:

From August 2 through 6, 2021, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Eni US Operating Co., Inc's (Eni) procedures for control room management in Anchorage and North Slope Borough, Alaska.

As a result of the inspection, it is alleged that Eni has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

- 1. § 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;

Eni failed to conduct the required testing of backup SCADA systems at least once each calendar year, but at intervals not to exceed 15 months.

Eni Control Room Management Program, Section 4.7 Back-up SCADA System, did not require backup SCADA systems to be tested. Eni maintains 5 HMI workstations: station 1 operates plant and pipeline; station 2 operates the plant; stations 3 & 8 are read only informational for plant personnel; station 5 (ProPlus) is for SCADA/DCS development, accessible only by SCADA instrumentation staff. Each HMI is a fully functional, independent platform capable of operating the plant and pipeline, if user login credentials allow. In the configuration as viewed during the inspection, Eni Stations 2, 3 and 8 were backup (redundant) control consoles that required testing, and Eni did not produce any records to demonstrate compliance with this requirement.

2. § 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;

Eni failed to verify the correct safety-related alarm set-point values and alarm descriptions when associated field instruments were calibrated or changed, at least once each calendar year, but at intervals not to exceed 15 months, as required by § 195.446(e)(3). Eni was unable to provide documentation to establish that it reviewed set point values and alarm descriptions.

3. § 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)

(5) Monitor the content and volume of general activity being directed to and required of each controller at least once each calendar year, but at intervals not exceeding 15 months, that will assure controllers have sufficient time to analyze and react to incoming alarms;

Eni failed to monitor the content and volume of general activity being directed to and required of each controller, at least once each calendar year, but at intervals not exceeding 15 months, as required by § 195.446(e)(5). Eni was unable to provide documentation to establish that it monitored the content and volume of general activity being directed to and required of each controller for years 2018 and 2017.

4. § 195.446 Control room management.

(a)

(f) *Change management.* Each operator must assure that changes that could affect control room operations are coordinated with the control room personnel by performing each of the following:

(1) Implement section 7 of API RP 1168 (incorporated by reference, see § 195.3) for control room management change and require coordination between control room representatives, operator's management, and associated field personnel when planning and implementing physical changes to pipeline equipment or configuration;

Eni failed 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, as required by § 195.446(f)(1). Eni was unable to provide adequate documentation of coordination of SCADA changes with controllers for MOC 2089 PFP02-TI-10032A HH Alarm Addition (2019 PHA Recommendation 3). This MOC did not have documentation that the controllers were informed of the Alarm change/addition.

5. § 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;

Eni's training program did not include, for pipeline operating setups that are periodically, but infrequently used, an opportunity for controllers to review relevant procedures in advance of their application, as required by § 195.446(h)(5). Eni failed to update the list of infrequently used setups during its annual CRM manual reviews. Eni maintains a list of three infrequent setups in its CRM manual. However, additional infrequently used setups were identified during the annual review of the CRM manual that were not included on the list.

6. § 195.446 Control room management.

(a)

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

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

Eni failed to maintain records that demonstrated compliance with the requirements of § 195.446(h), as required by § 195.446(j)(1). Specifically, Eni failed to provide documentation of adequate reviews of its training program. Eni presented training program reviews for 2019 and 2020. Both the 2019 and 2020 reviews contained limited or no notes on the review form. The records presented did not represent a review of the training program.

7. § 195.446 Control room management.

(a)

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

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

Eni failed to maintain, for review during inspection, records that demonstrate compliance with the requirements of this section, as required by § 195.446(j)(1). Eni's shift handover records were consistently missing information. Additionally, white out was used to amend the logbook on June 10, 2020. Eni was advised that the logbook is an official record of the controllers' activities and cannot be amended using white out.

Proposed Compliance Order

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,142 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to propose a civil penalty assessment at this time.

With respect to items 1, 2 and 6, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Eni US Operating Co., Inc. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

With respect to items 3, 4, 6, 7, we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct these items. Failure to do so may result in additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement 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).

Following the receipt of this Notice, you have **30** days to submit written comments, or request a hearing under 49 CFR § 190.211. 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 you are responding to this Notice, we propose that you submit your correspondence to my office within **30** days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 5-2022-028-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Dustin Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

cc: PHP-60 Compliance Registry
PHP-500 J. Dunphy (#21-201439)

PROPOSED COMPLIANCE ORDER

Pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Eni US Operating Co., Inc (Eni) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Eni with the pipeline safety regulations:

- A. In regard to Item 1 of the Notice pertaining to Eni's failure to test back up SCADA systems, Eni must amend its procedures to provide instructions on how to conduct and document testing of the backup SCADA systems. Eni must amend its procedures and conduct a test of the back up SCADA systems and submit both to PHMSA with **60** days of receipt of the Final Order.
- B. In regard to Item 2 of the Notice pertaining to Eni's failure to review alarm set point values and alarm descriptors as required by §195.446(e)(3), Eni must amend 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. Eni must amend its procedures, verify the correct safety-related alarm set-point values and alarm descriptions and submit the amended procedures and completed verification results to PHMSA within **60** days of receipt of the Final Order.
- C. In regard to Item 5 of the Notice pertaining to Eni's failure to review its training program content, Eni must amend its procedure to provide instructions on how to conduct and document a review of the controller training program. Eni must amend its procedures, conduct a review of its training program and submit its procedures and completed training program review to PHMSA and within **60** days of receipt of the Final Order.
- D. It is requested (not mandated) that Eni maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Dustin Hubbard, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.