



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

### OVERNIGHT EXPRESS MAIL

March 09, 2012

Mr. William Zipf, Jr., Vice President  
Eastern Shore Natural Gas Company  
1110 Forrest Avenue  
Suite 201  
Dover, Delaware 19904

**CPF 1-2012-1001M**

Dear Mr. Zipf:

During the week of May 16, 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Eastern Shore Natural Gas Company's (Eastern Shore) procedures for operations and maintenance in Dover, Delaware.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Eastern Shore's plans or procedures, as described below:

**1. 192.605 Procedural manual for operations, maintenance and emergencies**

**Each operator shall include the following in its operating and maintenance plan:**

**(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.**

**(2) Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part.**

Eastern Shore's procedures were inadequate in that they failed to specify a system of classifying levels of atmospheric corrosion and coating damage. The description is subjective to the evaluator. In addition, the procedures fail to specify time periods in which the operator would respond to or remediate adverse observations to the pipe, as required by 192.481(c) Atmospheric corrosion control: Monitoring - (c) If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by Sec. 192.479.

2. **192.465 External corrosion control: Monitoring.**

**(d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring. Each operator shall include the following in its operating and maintenance plan:**

In Eastern Shore's procedures, Subsection 330 Corrosion Requirements fails to require a time period to remediate inadequate pipe-to-soil potentials observed during external corrosion monitoring.

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 **30** 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 Eastern Shore maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Byron Coy, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration.

Please send all correspondence to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2012-1001M** on each document you submit, and please whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to [Byron.Coy@dot.gov](mailto:Byron.Coy@dot.gov). Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

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

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