



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

March 12, 2012

Mr. Michael Eastman, VP Gas Assets
Rochester Gas and Electric
89 East Avenue
Rochester, NY 14649-0001

CPF 1-2012-1003M

Dear Mr. Eastman:

From July 12 through August 23, 2010, representatives of New York State Department of Public Service (NYSDPS) acting as agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected New York State Electric and Gas (NYSEG) procedures for emergencies, operations and maintenance (O&M), and procedures for handling abnormal operations, in Watkins Glen, New York.

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

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

(a) *General.* Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

The NYSEG emergency plan lacks specific details and comprehensiveness in addressing certain specific emergency conditions that the Seneca Storage Facility and/or the Seneca West Pipeline could experience due to pipeline damage, fire involving pipeline facilities, loss of gas supply to customers served via the Seneca West Pipeline, acts of terrorism, and natural disasters that could result in catastrophic loss of cavern gas or access to cavern gas.

2. § 192.605 Procedural manual for operations, maintenance, and emergencies.

(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.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

NYSEG O&M procedures do not address the patrolling requirements for transmission lines under §192.705 Transmission lines: Patrolling.

3. § 192.605 Procedural manual for operations, maintenance, and emergencies.

(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.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

NYSEG O&M plan does not address the §192.625(b) odorization requirements for the NYSEG designated Class 3 location of the Seneca Storage Facility's out-flowing gas and the "closed-in" farm tap systems served only by the Seneca West Pipeline.

4. § 192.605 Procedural manual for operations, maintenance, and emergencies.

(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.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

NYSEG O&M plan does not address comprehensive relief valve annual inspection procedures specific to the Seneca Storage Facility equipment as required by §192.731 Compressor stations: Inspection and testing of relief devices.

5. § 192.605 Procedural manual for operations, maintenance, and emergencies.

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.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

NYSEG O&M plan does not include comprehensive compressor station inspection procedures adequately covering each item in §192.736 Compressor stations: Gas detection.

6. § 192.605 Procedural manual for operations, maintenance, and emergencies.

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.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

The NYSEG Seneca Storage Facility O&M Manual does not address in detail the prevention of accidental ignition of gas in all potential areas applicable to both the storage facility and the pipeline, where the presence of gas constitutes a hazard under § 192.751 Prevention of accidental ignition.

7. § 192.605 Procedural manual for operations, maintenance, and emergencies.

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.

NYSEG O&M plan needs to address all the internal corrosion control requirements under §192.475 Internal corrosion control: General, and §192.491 Corrosion control records

8. § 192.605 Procedural manual for operations, maintenance, and emergencies.

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.
(7) Starting, operating and shutting down gas compressor units.

NYSEG Seneca Storage Facility O&M Manual, Section 4, does not adequately detail or point to other specific company documents that may provide the specific process steps for the starting, operating and shutdown of the compressor units.

9. § 192.605 Procedural manual for operations, maintenance, and emergencies.

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.
(8) Periodically reviewing the work done by operator personnel to determine the effectiveness, and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found.

NYSEG O&M plan does not address the periodic reviewing of work done by operator personnel to determine the effectiveness, and adequacy of NYSEG procedures used in normal operations and maintenance work. The O&M plan does not address modifying procedures found deficient as indicated by the periodic review.

10. § 192.605 Procedural manual for operations, maintenance, and emergencies.

(c) *Abnormal operation.* For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:

NYSEG O&M plan does not address the requirements for abnormal operation listed under §192.605(c).

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 **180** 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 New York State Electric & Gas 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 E. Coy, P.E., Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration.

Please send all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2012-1003M** 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. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

Byron E. Coy, P.E.
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Cc: Kevin Speicher, NYSDPS

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