NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

August 20, 2013

Robert Cooper, VP of Engineering
EQT Midstream
625 Liberty Avenue,
Pittsburgh, PA 15222

CPF 1-2013-1017M

Dear Mr. Cooper:

From May to September 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), and interstate agents from the Public Service Commission of West Virginia, pursuant to Chapter 601 of 49 United States Code inspected EQT Midstream’s (EQT’s) procedures and records for Operations and Maintenance, as well as Design and Construction, at its headquarter office in Pittsburgh, Pennsylvania, and a portion of its pipeline facilities in Pennsylvania and West Virginia.

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

1. §192.225 Welding Procedures.
   (a) Welding must be performed by a qualified welder in accordance with welding procedures qualified under section 5 of API 1104 (incorporated by reference, see §192.7) or section IX of the ASME Boiler and Pressure Vessel Code "Welding and Brazing Qualifications" (incorporated by reference, see §192.7) to produce welds meeting the requirements of this subpart. The quality of the test welds used to qualify welding procedures shall be determined by destructive testing in accordance with the applicable welding standard(s).

   EQT’s welding procedures, Design & Construction Manual – Welding & Joining, was inadequate because it did not mention the API 1104 version incorporated by reference in 49 C.F.R. 192 for the welder and the welding procedures.

2. §192.605 Procedural manual for operations, maintenance, and emergencies.
   (a) . . .
   (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.
EQT’s procedures for inspecting and testing relief devices in a compressor station in its manual, specifically Operations and Maintenance Manual, Section 7.23 Compressor Stations: Inspection and Testing of Pressure Relief Devices [§192.731], was inadequate because the guidelines in the supplemental procedure did not ensure that the gauge was calibrated to accurately determine and adjust the shutdown switch trips at the proper set point. Particularly, EQT’s supplemental procedure, MP085 Maintain, Test and Repair Overpressure Protection Devices under Engine/Compressor High Discharge Pressure Shutdown Test General Procedure, lacks specific details on the use of a calibrated gauge to test the shutdown set point.

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

EQT’s procedure for corrosion control in its manual of written procedures, specifically Operations and Maintenance Manual October 2009, Section 8.15 Atmospheric corrosion Control – Monitoring [§192.481], and related procedure, Inspect for Atmospheric Corrosion, Revision No. 0, Revision Date October 30, 2009, was inadequate because it lacked detailed instructions to monitor atmospheric corrosion.

The aforementioned procedures were general and provided no guidance on how to give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports in splash zones and in spans over water in accordance with section 192.481(b). EQT’s corrosion control procedure does not specify how it determines where to give particular attention to piping under thermal insulation such as by sampling inspection checkpoints prone to corrosion. Furthermore, EQT’s corrosion control procedure refers to above-ground pipeline and does not consider portions of below-ground pipeline that are exposed to the atmosphere.

EQT only requires a visual “[examination of] exposed portions of pipelines and soil-to-air interfaces located at aboveground block valves, pig traps and station piping.” During the field inspection at Copley Compressor Station and Pratt Compressor Station, PHMSA inspectors observed pipe under thermal insulation and pipe supports.

Also, EQT’s procedure for corrosion control only requires that “[r]egular inspections should be made to ensure above-ground pipeline facilities are protected against atmospheric corrosion.” (emphasis added). During the field inspection, PHMSA inspectors observed portions of below-ground pipeline that were exposed to the atmosphere.

4. §192.605 Procedural manual for operations, maintenance, and emergencies.
   (a) . . .
   (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: . . .
   (4) Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.
EQT's procedure for abnormal operation in its manual, specifically *Operations and Maintenance (O&M) Manual October 2009, Section 4.4 Reviewing the Effectiveness of Abnormal Operating Procedures [§192.605(c)(4)]*, is inadequate because it does not specify the job title(s) of the individual(s) who are responsible for reviewing and correcting the abnormal operating procedures.

**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 45 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 EQT 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, P.E., Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to CPF 1-2013-1017M and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

[Signature]

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

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