

## NOTICE OF AMENDMENT

### OVERNIGHT EXPRESS DELIVERY

January 6, 2017

Steven Thompson  
Senior Vice President  
Eastern Shore Natural Gas Co  
909 Silver Lake Blvd  
Dover, DE 19901

**CPF 1-2017-1001M**

Dear Mr. Thompson:

During the week of December 1, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Eastern Shore Natural Gas's (ESNG) procedures for operations and maintenance in Dover, DE.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within ESNG'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:**

**(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. . .**

ESNG's manual of written procedures for conducting maintenance activities was inadequate in that it did not sufficiently detail how to meet the requirements prescribed in §192.745(a), which states in part that "Each transmission line valve that might be required during any emergency must be inspected and partially operated. . ."

During the inspection, a PHMSA inspector reviewed ESNG's valve inspection records and ESNG's O&M Manual Subsection, 310, Periodic Surveys, Inspections, and Patrols. Subsection 320 BLOCK VALVE OPERATION SURVEY [192.745] states that:

"Once each calendar year, but at intervals not exceeding fifteen (15) months, each block valve shall be operated and inspected.

320.1

Records The results of the survey for each valve and any work performed shall be recorded on Form 325, "Valve Record Card" by Measurement personnel. The Measurement Department shall maintain these records."

The procedure failed to provide details such as:

1. Criteria / process for identifying valves that may be required in an emergency
  2. Individuals responsible for developing the criteria
  3. Process for keeping the list of emergency valves current
  4. Documentation requirements
2. **§192.605 Procedural manual for operations, maintenance, and emergencies**

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

**(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. . .**

ESNG's manual of written procedures for conducting maintenance activities was inadequate in that it did not adequately detail how to meet the requirements prescribed in §192.745(b) which states that "Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve."

During the inspection, a PHMSA inspector reviewed ESNG's valve inspection records and ESNG's O&M Manual Subsection, 310, Periodic Surveys, Inspections, and Patrols.

The procedure failed to provide details such as:

1. Definition of "prompt" remedial action
2. Designation of another valve or valves to substitute for the inoperable valve that will provide a similar level of effectiveness for isolating the line section. Consideration should be given to the following:
  - a. Spacing requirements as prescribed in §192.179
  - b. Updating records for emergency shutdown and future maintenance requirements
  - c. Informing employees of the change to the isolation or emergency shutdown plan
  - d. Individuals responsible for developing the criteria
3. Process for keeping the list of emergency and alternate valves current
4. Documentation requirements

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. Failure to respond within 30 days of receipt of this Notice 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 an Order Directing Amendment. If 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. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 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 ESNG maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Acting Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. In correspondence concerning this matter, please refer to **CPF 1-2017-1001M**, and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Robert Burrough  
Acting Director, Eastern Region  
Pipeline and Hazardous Materials Safety Administration

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