

February 2, 2017

Mr. Robert Burrough, Acting Director
Pipeline and Hazardous Materials Safety Administration - Eastern Region
820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628

Re: **CPF 1-2017-1001M** (Notice of Amendment)
Uncontested Response of Eastern Shore Natural Gas Company

Dear Mr. Burrough:

On January 17, 2017 and as a result of inspections of Eastern Shore's natural gas transmission system during the weeks of December 1, 2014 and December 19, 2014, you issued a Notice of Amendment (NOA) to Eastern Shore Natural Gas Company (Eastern Shore) in regard to alleged inadequacies found within Eastern Shore's procedures for operations and maintenance, as required by the Pipeline Safety Regulations, Title 49, Code of Federal Regulations, Part 192.605.

In your letter, the following specific alleged procedural inadequacies were noted:

1. Eastern Shore's manual of written procedures for conducting maintenance activities was inadequate in that it did not sufficiently detail how to meet the requirements specified in 49 CFR §192.745(a), which states that "Each transmission line valve that might be required during an emergency must be inspected and partially operated..."

PHMSA specifically noted that Eastern Shore's procedures 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. Eastern Shore's manual of written procedures for conducting maintenance activities was inadequate in that it did not sufficiently detail how to meet the requirements specified in 49 CFR §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."

PHMSA specifically noted that Eastern Shore's procedures 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 isolation the line section.
3. Process for keeping the list of emergency and alternate valves current
4. Documentation requirements



Eastern Shore has elected to file this uncontested response that provides the proposed procedural updates to comply with PHMSA's interpretation of 49 CFR §192.605, 49 CFR §192.745(a), and 49 CFR §192.745(b), respectively.

Please refer to the attached proposed procedure updates. Please review and provide any comments so that we may address those accordingly and incorporate these updates into our O&M procedures. Your letter indicates that enforcement action will be closed once the amended procedures adequately address the concerns raised.

Eastern Shore appreciates this opportunity to improve our O&M procedures to fully address your concerns and close this matter.

Sincerely,
Eastern Shore Natural Gas Company

A handwritten signature in black ink, appearing to read "E. Pearson", is written over a horizontal line.

Eric M. Pearson
Senior Manager, Operations Compliance & Engineering

Issued for PHMSA Review and Comment

319. CRITICAL VALVE INSPECTION [192.745]

319.1 Definition Any transmission line valve that might be required during an emergency on the ESNG pipeline is defined as a “critical” valve. Critical valves are identified on the “Eastern Shore Natural Gas Valve Inspection List”.

319.2 Critical Valve Identification Critical valves shall be designated by Operations Staff and approved by the Senior Manager, Gas Pipeline Operations. Critical valves shall be selected based on their effectiveness to isolate a transmission line section.

Consideration shall be given to the following criteria when designating critical valves:

- Spacing requirements as prescribed in 192.179
- Accessibility of the valves during a potential emergency
- Location of above grade valves or appurtenances that may be useful in an emergency blow down
- Location of suitable alternate valves in the event a valve cannot be located or is found to be inoperable
- Emergency shutdown procedures or other maintenance requirements

319.3 Critical Valve Inspection & Operation Once each calendar year, but at intervals not exceeding fifteen (15) months, each critical valve shall be inspected and partially operated in order to determine the accessibility and condition of the valve and to verify the ability of ESNG personnel to operate the valve in the event of an emergency.

319.4 Remedial Action Prompt remedial action shall be taken to repair and correct any critical valve found to be inoperable. This work shall be completed within twelve (12) months unless the “Eastern Shore Natural Gas Valve Inspection List” is updated to designate an alternative critical valve.

319.5 Alternate Critical Valves Alternate critical valves shall be selected based on the same criteria as a critical valve, i.e. their

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effectiveness to isolate a transmission line section. Once designated, an alternate critical valve is subject to the same requirements established for critical valves in this Section.

- 319.6 Documentation & Review The results of the inspection and partial operation of each critical valve and any maintenance work performed shall be recorded on the "Eastern Shore Natural Gas Valve Inspection List" by Measurement Department personnel. The Measurement Department shall update and maintain these records. On an annual basis after the annual inspection results are documented, Operations Staff shall review the "Eastern Shore Natural Gas Valve Inspection List". When necessary, updates to the critical and/or alternate valves shall be recommended by Operations Staff and approved by the Senior Manager, Gas Pipeline Operations, subject to the requirements of OM 319.2.