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November 27, 2018

Robert Burrough, Director
PHMSA, Eastern Region, Office of Pipeline Safety
840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628

Re: CPF 1-2018-1022M

Dear Mr. Burrough:

From June 19 to 21, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant of Chapter 601 of 49 United States Code, inspected Honeoye Storage Corporation's procedures and records for their Underground natural gas storage field in Ontario County, New York.

Based on the inspection, PHMSA identified the apparent inadequacies found within Honeoye's plans or procedures as described below.

1. § 192.12 Underground natural gas storage facilities.
   (e) Operators of underground gas storage facilities must establish and follow written procedures for operations, maintenance, and emergencies implementing the requirements of API RP 1170 and API RP 1171, as required under this section, including the effective dates as applicable, and incorporate such procedures into their written procedures for operations, maintenance, and emergencies established pursuant to § 192.605.

PHMSA states that Honeoye's procedures do not define an annular pressure threshold to determine if additional evaluation is required.

Honeoye's procedure, found in the HSC Operating Procedures Manual under section 34.5 "Well Monitoring" has been modified to read:

Threshold

- Any indication of gas flow and must be reported immediately to the IMP team for review.
- If the annulus pressure is greater than **150 psi**, immediately report to the IMP team for review.
- If the annulus pressure is less than **150 psi** but greater than **75 psi** and the pressure has increased **more than 50%** since the last reading, the annular space must be vented to atmosphere.
- If the annular space does not completely vent to atmosphere in **60 minutes**, immediately report to the IMP team for review.

2. § 192.12 Underground natural gas storage facilities.
   (e) Operators of underground gas storage facilities must establish and follow written procedures for operations, maintenance, and emergencies implementing the requirements of API RP 1170 and API RP 1171, as required under this section, including the effective dates as applicable, and incorporate such procedures into their written procedures for operations, maintenance, and emergencies established pursuant to § 192.605.

PHMSA states that Honeoye does not have a procedure to verify all applicable staff receive training in the use of the emergency preparedness/response plan.

Honeoye's procedure, found in Section 5.0 "Procedures and Training" Subpart O "Training Requirements" of the HSC Underground Natural Gas Storage Facility Integrity Management Plan has been modified to read:

> Each employee will be required to review this plan and the Well Control Contingency Plan (WCCP) at least once each calendar year, not to exceed 15 months. This review may be done either in formal meetings, or by verifiable individual review.
>
> HSC will provide operating personnel the training and information necessary to ensure that every employee can safely conduct routine operating and emergency procedures necessary for the areas of the facility for which they are responsible.
>
> Training will consist of formal, planned and thorough instruction. Training may be a combination of classroom and/or online training, on-the-job training, safety meetings, planned job observations and study of the appropriate manuals.

Personnel will be trained on O&M procedures, the Well Control Contingency Plan (WCCP), and emergency response procedures necessary for storage wells and reservoirs. Personnel shall also train in recognition of abnormal operating conditions, reporting and recordkeeping requirements.

For those employees not in attendance for scheduled training, follow-up training must be re-scheduled and can be managed by a face-to-face session or other training practice(s). All required training courses are tracked to ensure completion remains at 100%.

3. § 192.12 Underground natural gas storage facilities.
   (e) Operators of underground gas storage facilities must establish and follow written procedures for operations, maintenance, and emergencies implementing the requirements of API RP 1170 and API RP 1171, as required under this section, including the effective dates as applicable, and incorporate such procedures into their written procedures for operations, maintenance, and emergencies established pursuant to § 192.605.

PHMSA states that Honeoye does not have a procedure to measure effectiveness of operator familiarity with emergency plans and procedures and periodic testing of the effectiveness of the plan.

Honeoye's procedure, found in Section 5.0 "Procedures and Training" Subpart O "Training Requirements" of the HSC Underground Natural Gas Storage Facility Integrity Management Plan has been modified to read:

> An evaluation to demonstrate effectiveness of training provided will be conducted, documented and maintained. Evaluation methods to consider may include, but not limited to:
>
> - Written test
> - Scenario
> - Simulation
> - Oral
> - Table Top Drill

4. § 192.12 Underground natural gas storage facilities.
   (e) Operators of underground gas storage facilities must establish and follow written procedures for operations, maintenance, and emergencies implementing the requirements of API RP 1170 and API RP 1171, as required under this section, including the effective dates as applicable, and incorporate such procedures into their written procedures for operations, maintenance, and emergencies established pursuant to § 192.605.

PHMSA states that Honeoye does not have a procedure for joining of API and ANSI flanges

Honeoye has had an engineering review regarding this topic and has developed a procedure for the joining of API 6B 2000 Class flanges mated to ANSI 600# flanges.

Please feel free to contact the undersigned if you have any questions or feedback.

Sincerely,

Andy Hall
Manager of Marketing and Compliance