



Enbridge
5400 Westheimer Court
Houston, Texas 77056

October 1, 2019

PW

RECEIVED OCT 02 2019

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
840 Bear Tavern Road
Suite 300
West Trenton, NJ 08628

**RE: Algonquin Gas Transmission, L.L.C. Request for Hearing and Statement of Issues
Notice of Probable Violation
CPF 1-2019-1004**

Dear Mr. Burrough,

From May 24, 2018 to June 28, 2018, a representative of the Pipeline and Hazardous Material Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C) inspected Algonquin Gas Transmission, L.L.C. (AGT) pipeline system in Massachusetts, Rhode Island and New Jersey. AGT is a subsidiary of Enbridge, Inc.

On July 11, 2019, PHMSA issued the above referenced Notice of Probable Violation¹ (NOPV) alleging two (2) probable violations of pipeline safety regulations; the first regarding timely monitoring for atmospheric corrosion and the second alleging a failure to properly maintain records of emergency valve testing. AGT chose not to challenge the first violation. The second alleged violation is the subject matter of this hearing request and statement of issues.

Request for Hearing

In accordance with 49 CFR §190.209(a) and (b) and 49 CFR §190.211(a), AGT hereby requests a hearing with respect to the probable violation and associated penalties for Item 2 (§ 192.709 Transmission Line: Record Keeping). AGT further requests that any hearing be held telephonically.

Statement of Issues

2. § 192.709 Transmission Line: Record Keeping

Contrary to the express language in 49 CFR §192.709(c) which simply requires that “a record of each...inspection...required by subparts L and M...be retained...,” PHMSA claims that

¹ TETLP requested a time extension on July 29, 2019 to enable TETLP to fully review the issue and prepare a comprehensive response to the NOPV. PHMSA granted the time extension on August 1, 2019.

§192.709(c) actually requires more: explicit documentation that each individual emergency valve was partially operated in accordance with §192.745(a) during 2016. §192.745(a) requires that each emergency valve “be inspected and partially operated” within a specified timeframe. No further clarification of precisely what must be recorded is offered, and AGT is not aware of any guidance, bulletins or interpretations providing such clarification. AGT’s process ensures that each appropriate valve is inspected and operated according to required schedule.

Valve inspection and maintenance is performed in accordance with AGT’s Standard Operating Procedure (SOP) 5-5010, “*Valve Inspection and Maintenance*”. Section 2 of SOP 5-5010 explicitly requires emergency valves to be partially or fully operated, stating the following:

2.0 *Valves Requiring Operation*

- 2.1 *Fully operate all valves 2” (NPS 2) and larger designated as emergency valves per the designated frequency.*
- 2.2 *Partially operate the valve if gas flow conditions do not allow 100% stroking to meet the functionality requirement.*

SOP 5-5010 also states, in part: “*Document inspection and maintenance activities within the EAM Solution Database*”. The EAM Solution Database does include explicit requirements in the Work Order Details stating the valves must be partially or fully operated (see attached example Work Order). Specifically:

- Task #0090 states: “*Verify valve operation: Inspect valve & fully/partially operate to ensure reliability. If it is not possible to stroke a valve 100% due to gas flow conditions, operate the valve partially to validate the inspection. #All non-emergency valves (2 and larger) to be fully or partially operated during inspection and maintenance activities. #If No, enter reason for not operating valve in the Work Log Tab.*”
- Task #0100 states: “*Note any operation difficulty*”.
- Task #0110 states: “*Return to Service. Return the valves to their normal operating position when maintenance is complete.*”

Completion and closure of the EAM Database Work Order is confirmation that each of the Tasks in the Work Order Details has been completed, including full or partial operation of the valve. Thus, AGT maintains that all emergency valves were inspected and maintained in accordance with SOP 5-5010 and §192.709(c), and adequate documentation was provided during the inspection.

The Valve Inspection Audit Report reviewed by the PHMSA inspector contained a column for a “Yes/No” valuation regarding inspection of the valves. For certain valves, the column was blank, leading to the issuance of this NOPV. AGT had made system configuration modifications to its Work Management system in 2016 following an organizational change and as part of a process improvement effort to standardize alignment of task lists with Standard Operating Procedures (SOP). In August, 2016, AGT determined that the configuration change inadvertently resulted in Work Orders being generated without a requirement to provide a specific “Yes/No” response in the column titled “Valve Part Full Operated” from April to July, 2016. As such, AGT employees did not have a field or an option to enter a “Yes/No” response in the column titled “Valve Part Full Operated” because the user input parameter was not

available. AGT identified this inadvertent change in August 2016, and made the appropriate changes to the Work Management system to add this required input parameter to the Work Order. Following the changes made in August, AGT did not cancel the impacted Work Orders and re-issue new Work Orders because these emergency valves had, in fact, been inspected and operated as documented in the Work Order details, and the documentation was in compliance with the explicit requirements of §192.709(c). The Work Order Details were provided to the PHMSA inspector during post-inspection discussions.

Proposed Civil Penalty

AGT asserts that because its documentation of the inspection of these emergency valves was sufficient to meet its regulatory obligations, the NOPV and proposed civil penalty should be withdrawn. In the alternative, AGT also contends PHMSA's civil penalty analysis documented in the "Proposed Civil Penalty Worksheet" is inaccurate and should be revised based on the following:

- AGT contends the documentation is compliant for the reasons stated above, and thus PHMSA should not have needed to complete the "Proposed Civil Penalty Worksheet".
- Part E5, Circumstances of the Violation Report indicates that "*PHMSA or a State Partner discovered the violation*". AGT contends that alleged violation was identified and appropriate changes were made prior to discovery by PHMSA. AGT did not self-report the alleged violation because AGT's position was that these emergency valves were inspected and operated as documented in the Work Order details, and the documentation was in compliance with the explicit requirements of §192.709(c). At a minimum, AGT respectfully requests that the Circumstances rating be removed.
- Part E7, Culpability of the Violation Report indicates that "*The operator failed to comply with an applicable requirement.*" AGT contends that the documentation provided during the inspection is compliant. Further, AGT made the appropriate changes to the Work Management system to expressly document operation of the valves. As mentioned above, AGT addressed this issue in August, 2016 before PHMSA became aware of this issue during the inspection. At a minimum, AGT respectfully requests that the Culpability rating be downgraded to "*After the operator found the non-compliance, the operator took documented action to address the cause of the non-compliance, and corrected the non-compliance before PHMSA learned of the violation.*" based on the facts stated above.
- Part E8, Good Faith of the Violation Report indicates that "*The operator did not have a reasonable justification for its non-compliance.*" AGT contends that the facts stated above demonstrates the documentation was compliant and provides a reasonable justification for why the "Yes/No" response in the column titled "Valve Part Full Operated" was blank. At a minimum, AGT respectfully requests that the Good Faith rating be downgraded to "*The operator had reasonable justification for its non-compliance.*" based on the facts stated above.

For the reasons stated above, AGT contests this alleged finding and proposed civil penalty. AGT respectfully requests PHMSA withdraw this alleged violation and eliminate the civil penalty. AGT requests a telephonic hearing to be scheduled at a mutually agreeable time. AGT takes

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these issues very seriously, and we identified this issue and made appropriate changes to the Work Management System in 2016, well prior to the PHMSA inspection.

Please call me at (713) 627-6388 if you have any questions or to schedule a hearing.

Sincerely,

A handwritten signature in blue ink that reads "Rick Kivela". The signature is written in a cursive, flowing style.

Rick Kivela
Manager, Operational Compliance

Attachment



Work Order Details

401031812 VALVE I&M, G23-1U

Order No : 401031812

Status : Closed

User Status : FIELD COMPLETE

Order Type : Preventive Maintenance Order

PM Activity Type : INSPECT

Person Responsible : Rogers, William

Main Work Center : GSS-PLSP

Planner Group : WSS

Due Date : 06/30/2016

Basic Start : 06/30/2016

Priority : 3-Medium

Damage Code : -

Cause Code : -

Maint. Plant : DIGS

Planning Plant : WESS

Plant Section : GSS

Actual Finish : 06/23/2016

Reported By :

Reported Date : 05/28/2016

Regulatory : PHMSA

Equipment ID : 10045724 VALVE, PLUG, 2 IN

Technical ID : G23-1U

Sort :

Functional Location : GSYS-EOLN-VLST-1040 GSYS-EOLN VLST, MP 9.41, G-2

Maintenance Plan : M380632 GSYS-EOLN VLST, MP 9.41, G-2

Schedule Start : 06/23/2016

Schedule Finish : 06/30/2016

ABC Indicator :

VALV1560 - VALVE, INSPECT & MAINTENANCE, 1YR

| Operation | Value 1 | Value 2 | Date | Qualification |
|--|---------|---------|------|---------------|
| 0010 | | | | - |
| Refer applicable standards + procedures | | | | |
| Follow applicable SET procedures and or manufacturers recommendations, as available and/or appropriate (e.g. Maintenance Standards Reference for disassembly / assembly, break-in, etc.). | | | | |
| 0020 | | | | - |
| Perform appropriate Safety Review | | | | |
| Evaluate nature of work and risk, conduct appropriate safety review, including applicability of LSR and LOTO. Consult with supervision, tech staff, or the EHS dept as needed. As appropriate notify gas control and or create an outage in the gas control outage database. | | | | |
| 0030 | | | | - |
| Perform inspection and maintenance | | | | |
| Perform visual Inspection and normal maintenance.#Normal maintenance may include, but is not limited to, lubrication, stem thread maintenance, addition of stem packing, bleeding of valve bodies, stop adjustments, etc. | | | | |
| 0040 | | | | - |
| Document any remedial action required | | | | |



Work Order Details

401031812 VALVE I&M, G23-1U

VALV1560 - VALVE, INSPECT & MAINTENANCE, 1YR

| Operation | Value 1 | Value 2 | Date | Qualification |
|---|---------|---------|------|---------------|
| If remedial action on valve or related equipment is required, document purposed remedial action in the Work Log Tab. | | | | |
| 0050 | | | | - |
| Bleed valve body of liquids and pressure | | | | |
| 0060 | | | | - |
| Perform gear box maintenance | | | | |
| Perform gear box maintenance if required to include lubrication, water removal and winterization.# | | | | |
| 0070 | | | | - |
| Inspect fences, guard rails and vaults | | | | |
| Inspect fences, guard rails, and valve vaults where applicable, and note the condition. Document in the worklog. | | | | |
| 0080 | | | | - |
| Winterize valves as applicable | | | | |
| Winterize valves and related equipment which may be subjected to freezing temperatures.# Include draining of the valve bodies, gear boxes, and any other places where water may accumulate as part of winterizing | | | | |
| 0090 | | | | - |
| Verify valve operation | | | | |
| Inspect valve & fully/partially operate to ensure reliability. If it is not possible to stroke a valve 100% due to gas flow conditions, operate the valve partially to validate the inspection. #All non-emergency valves (2 and larger) to be fully or partially operated during inspection and maintenance activities.#If No, enter reason for not operating valve in the Work Log Tab. | | | | |
| 0100 | | | | - |
| Note any valve operation difficulty | | | | |
| Note any difficulty encountered opening and closing the valve. | | | | |
| 0110 | | | | - |
| Return to service | | | | |
| Return the valves to their normal operating position when maintenance is complete. | | | | |

Work Order Details

401031812 VALVE I&M, G23-1U

VALV1560 - VALVE, INSPECT & MAINTENANCE, 1YR

| Operation | Value 1 | Value 2 | Date | Qualification |
|-----------|---------|---------|------|---------------|
|-----------|---------|---------|------|---------------|

| | | | | |
|--|--|--|--|---|
| 0120 | | | | - |
| Secure valves | | | | |
| Chain and lock all mainline block valves, tap valves, and valves used to isolate relief valves to prevent tampering. | | | | |

| | | | | |
|---------------|--|--|--|---|
| 0130 | | | | - |
| Document work | | | | |

Attach any documentation associated with the job performed to the WO and enter notes in the Work Log. Record any measurements taken as part of any repairs or maintenance.

| | | | | |
|------|----------------|---|------------|---|
| 0140 | FIELD NOT USED | N | 06/23/2016 | - |
|------|----------------|---|------------|---|

Follow up work required?
 Follow up work required?
 If repairs are identified during PM that require additional labor (greater than 3 hours), parts or materials, create a follow up Work Order. Select the Repair Replace task list.

Actual Labor

| Operation | Start Date | Finish Date | Time Reported | Type | Performed By | Work Center |
|-----------|------------|-------------|---------------|------|-----------------|-------------|
| 0010 | 06/23/2016 | 06/23/2016 | 10.0 MIN | REG | Rogers, William | GSS-PLSP |

Related Records

Notification

| | |
|-----------|-------------------|
| 101005362 | VALVE I&M, G23-1U |
|-----------|-------------------|