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August 6, 2020

Mr. Robert Burrough
Director, Eastern District
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628

VIA EMAIL

Re: Response to Notice of Amendment CPF 1-2020-1016M

Dear Mr. Burrough:

First, let me express my appreciation for the extension granted to respond to the Notice of Amendment dated April 30, 2020. NGO Transmission, Inc. (NGO) hereby submits the following responses and revised procedures:

- 1. At the time of the inspection, NGO's SRMP did not define a regular frequency for performing reviews of risk assessment results in accordance with Section 8.5.2.**

Response: While current SRMP protocols address the need and expectation for continuous review of risk assessment procedures, including a minimum of two years in review frequency, the language used in initial versions of documentation was potentially too vague in defining the specifics of that frequency. To address this concern, adjustments to the existing procedural language will directly require an annual revision of each well and reservoir risk assessment with a holistic review of the efficacy of the risk assessment process to be completed on the same annual cycle in conjunction with these individual re-assessments.

- 2. At the time of the inspection, NGO's written procedures failed to address how P&M measures were determined to manage risk, based on site-specific conditions, in accordance with Section 8.6.2.**

Response: Though current SRMP and Risk Management standard protocols address the need for and use of P&M measures to reduce risk in a general fashion, the language used may not provide the specificity required. While tools and methods to reduce likelihood and consequence of risk are identified, such as through the use of regular casing inspection logging, detailed language will be

added to risk documentation to specifically outline how these measures are identified, how site and well specific conditions recorded in current site assessment documents are used to drive that decision-making process, and what specific measures are available as remediation options for identified risks. Additionally, a concise summary table of applicable identification methodology, similar to that provided in API 1171 Section 8.6.1, will be included in the Risk Management standard to further add specificity to the P&M process and to encapsulate this discussion in a single location within NGO risk documentation.

- 3. During the inspection, it was established that Muskie storage field has 5 injection/withdrawal wells and 4 constant withdrawal-only wells that do not cycle with the field. These site-specific characteristics were not accounted for in the integrity monitoring program and may warrant unique requirements in approaching integrity demonstration, verification, and monitoring per section 9.2.1.**

Response: While the existing NGO risk model addresses well specific conditions that may distinctly affect integrity concerns or risk mitigation efforts, the specific nature of the non-injection wells in the Muskie storage field and a lack of historic data for these wells in comparison to active injection/withdrawal wells may limit the efficacy of the current model's relative rankings. In addressing this concern and the opportunity for improvement, NGO is undergoing a re-evaluation of the current risk model and its algorithmic approach to well integrity and site-specific issues to identify areas for improvement and to better address unique scenarios such as the non-cycling wells mentioned in this notice. While this specific re-evaluation effort is ongoing to address the concerns following the most recent audit, a regular review of the model's efficacy and a strategy for tracking effectiveness and implementing potential change is in development.

Specific to the wells in question, NGO is currently in the process of transferring ownership of these assets to an external corporate entity, thus removing them from the active well count at Muskie storage field. While this will impact the asset count and these wells will no longer fall under company owned storage well integrity risk assessment protocols, they will continue to be monitored using the same criteria in deference to PHMSA regulations regarding third-party well integrity evaluation and monitoring.

- 4. At the time of the inspection, NGO's written procedures failed to address how risk assessments fit into the risk management plan. Risk assessments shall drive storage reservoir and well integrity monitoring practices in accordance with Section 9.2.2.**

Response: While the current risk management plan relies heavily on detailed risk assessments to both effectively identify risk and determine appropriate courses of action in regards to reservoir and well integrity monitoring programs, the language used in documentation may speak too broadly to the underlying concepts of integrity demonstration and monitoring and does not effectively detail the use of current risk assessments in driving these monitoring decisions. As such,

more specific commentary detailing the specific use of risk assessments as a risk-based approach for developing integrity monitoring programs, tasks and frequencies will be added to existing technical standards.

- 5. At the time of the inspection, NGO's SRMP did not outline procedures to utilize NGO's integrity evaluations within its risk management program in accordance with Section 9.3.1.**

Response: As with previous areas of concern, though NGO's current risk protocols address the need for and use of well integrity evaluations to fulfill regulatory requirements in regards to asset integrity, a specificity of language in defining within the SRMP and associated risk standards how these evaluations are incorporated into the risk management program may be needed. Specifically, a section of the previous SRMP spoke the future development of functional integrity testing, which may have been of particular concern. These protocols have been developed and current risk documentation is being amended with both more robust and current language to reflect how the results of integrity evaluations are incorporated into the risk plan. Similarly, this new language will also address how both previous and new evaluations are utilized in combination to thoroughly evaluate current risk conditions and progress over time.

- 6. At the time of the inspection, NGO's ER Plan addressed general emergencies but did not specifically address natural disasters and third-party emergencies in accordance with Section 10.6.1.**

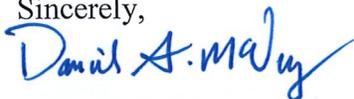
Response: In support of existing Emergency Response Plan language addressing requirements regarding general threats and emergencies, additional language will be added directly addressing natural disasters and third party emergencies as identified in the notice to add distinction to those specific concerns.

NGO proposes completion of updated plans and procedures referenced herein on the following schedule:

September 1st – All risk plan documentation amendments as described
October 1st – Risk model re-evaluation
November 1st – Annual well and reservoir risk assessments
December 1st – Bi-annual ER Plan evaluation

If you require any additional information or have any comments, please contact me at your convenience.

Sincerely,



Daniel S. McVey
Vice President/COO

cc: Don Wheeler, Operations Manager