



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste 600
Atlanta, GA 30303

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 17, 2007

Mr Tom Williams
Senior Vice President
Ozark Gas Transmission – Atlas Pipeline Mid-Continent, LLC
1437 South Boulder, Suite 1500
Tulsa, OK 74119

CPF 2-2007-1006M

Dear Mr Williams

On June 6-8, 2006 and June 20, 2006, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the Ozark Gas Transmission Integrity Management Plan (IMP) in Tulsa, Oklahoma

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within the Ozark Gas Transmission Integrity Management Plan, as described below

1. **§192.911 What are the elements of an integrity management program? An operator's initial integrity management program begins with a framework (see §192.907) and evolves into a more detailed and comprehensive integrity management program, as information is gained and incorporated into the program. An operator must make continual improvements to its program. The initial program framework and subsequent program must, at minimum, contain the elements (a) thru (p) in §192.911. (When indicated, refer to ASME/ANSI B31.8S (ibr, see §192.7) for more detailed information on the listed element.)**
 - a The Ozark Gas Transmission (OGT) IMP documentation must have sufficient detail about IMP processes (e.g. data gathering, questionable data) to understand how a task is performed. The details should include the following

- Who owns/is responsible for the task,
- What are the goals/objectives of the task,
- What data/information/resources is required to complete the task,
- How is the task to be completed,
- When or how often is the task to be completed,
- Are key elements to the task completion documented,
- Where is task documentation stored,
- Are task outputs/results communicated to key personnel,
- Is there a method for process improvement (reviews/feedback loops)

Prior to the close of the inspection, OGT updated the Responsibilities Matrix in Section 3 of the IM Program manual and added titles and section numbers in Appendix B to address the first bullet of this issue. The remaining items on this issue remained open at the close of the inspection.

2. **§192.911(c) What are the elements of an integrity management program? An identification of threats to each covered pipeline segment, which must include data integration and a risk assessment. An operator must use the threat identification and risk assessment to prioritize covered segments for assessment (§192.917) and to evaluate the merits of additional preventive and mitigative measures (§192.935) for each covered segment.**
 - a. The IMP Section 6 1 3 2 identifies “typical data sources”, and Section 6 1 3 3 discusses integrating data. OGT gathered data for the entire pipeline, not just HCAs. The inspection team noted that additional detail was needed on the processes and procedures (e.g. IMP-6-003 Section 2 1 6) for identifying threats and data integration.

3. **§192.933(d)(1) Immediate Repair conditions. An operator’s evaluation and remediation schedule must follow ASME/ANSI B31.S, section 7 in providing for immediate repair conditions. To maintain safety, an operator must temporarily reduce operating pressure in accordance with paragraph (a) of this section or shut down the pipeline until the operator completes the repair of these conditions.**
 - a. OGT needs to provide more detail on how the process for discovery of immediate conditions is implemented, starting with the first receipt of preliminary assessment information to discovery following final report information from the pigging vendor. Prior to the close of the inspection, OGT clarified the requirement for pressure reduction and remediation within five days by modifying Section 6 3 3 1 of the IMP to state, *“The operator shall examine these indications within a period not to exceed five days following determination of the condition. After examination and evaluation any defect found to require repair or removal shall be promptly remediated by repair or removal unless the operating pressure is lowered to mitigate the need to repair or remove the defect.”* Please provide a copy of the revised procedure to the PHMSA Southern Region Office.

- b OGT needs to address how multiple immediate conditions discovered during an assessment covering multiple covered segments are individually prioritized and scheduled for remediation Prior to the close of the inspection, OGT modified Section 2 4 2 of IMP-6-017 to state, "*Prioritize the evaluation and remediation of individual anomalies within the HCA segments from highest to lowest risk utilizing the Gas Pipeline Risk Assessment, IMP-6-003 procedure* " Please provide a copy of the revised procedure to the PHMSA Southern Region Office

- c OGT did not have provisions in their IMP or implementing procedures to schedule and remediate anomalies arising from threat conditions that do not meet the classification criteria of §192 933(c) Prior to the close of the inspection, OGT modified Table 1, Scheduling Requirements by Type of Condition, in IMP-6-018 to address this issue by adding the following "*Any indication, anomaly, or other condition that is not listed in the above categorized items that reduces the integrity of the line such that it warrants remediation* " Please provide a copy of the revised procedure to the PHMSA Southern Region Office

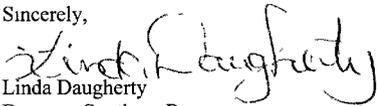
Response to this Notice

This Notice is provided pursuant to 49 U S C § 60108(a) and 49 C F R § 190 237 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). If you do not respond within 30 days of receipt of this Notice, this 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 a Final Order

If, after opportunity for a hearing, 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 § 190 237) If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 45 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

In correspondence concerning this matter, please refer to **CPF 2-2007-1006M** and, for each document you submit, please provide a copy in electronic format whenever possible

Sincerely,

A handwritten signature in cursive script that reads "Linda Daugherty". The signature is written in black ink and is positioned above the printed name.

Linda Daugherty
Director, Southern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure *Response Options for Pipeline Operators in Compliance Proceedings*