

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 18, 2009

Mr. Roger Blair
President
PB Energy Storage Services, Inc.
11757 Katy Freeway, Suite 600
Houston, TX 77099

CPF 4-2009-5002M

Dear Mr. Blair:

On October 28-29, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your procedures and records for operations and maintenance in Westlake, Louisiana.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within PB Energy Storage Services' procedures and are described below.

1. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
 - a) **General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**
 - A. **§195.54 Accident reports.**
 - (a) **Each operator that experiences an accident that is required to be reported under §195.50 shall as soon as practicable but not later**

- (b) than 30 days after discovery of the accident, prepare and file an accident report on DOT Form 7000-1, or a facsimile.**
- (c) Whenever an operator receives any changes in the information reported or additions to the original report on DOT Form 7000–1, it shall file a supplemental report within 30 days of new information.**

PB Energy Storage Services must amend their procedures to state that the supplemental report must be filed within 30 days of new information.

B. §195.302 Pressure testing

- (a) Except as otherwise provided in this section and in §195.305(b), no operator may operate a pipeline unless it has been pressure tested under this subpart without leakage. In addition, no operator may return to service a segment of pipeline that has been replaced, relocated, or otherwise changed until it has been pressure tested under this subpart without leakage.**

PB Energy Storage Services pressure testing procedure contains an incorrect reference in their procedures manual. They must amend their procedures to refer to the correct current testing procedure.

C. §195.403 Emergency response training

- (a) Each operator shall establish and conduct a continuing training program to instruct emergency response personnel to:**
 - (1) Carry out the emergency procedures established under 195.402 that relate to their assignments;**
 - (2) Know the characteristics and hazards of the hazardous liquids or carbon dioxide transported, including, in case of flammable HVL, flammability of mixtures with air, odorless vapors, and water reactions;**
 - (3) Recognize conditions that are likely to cause emergencies, predict the consequences of facility malfunctions or failures and hazardous liquids or carbon dioxide spills, and take appropriate corrective action;**
 - (4) Take steps necessary to control any accidental release hazardous liquid or carbon dioxide and to minimize the potential for fire, explosion, toxicity, or environmental damage; and**
 - (5) Learn the potential causes, types, sizes, and consequences of fire and the appropriate use of portable fire extinguishers and other on-site fire control equipment, involving, where feasible, a simulated pipeline emergency condition.**

PB Energy Storage Services currently have inadequate procedures for emergency response training in their procedures manual. Specific procedures for emergency response training must be developed that address conditions specific to PB Energy Services' operations as required in §195.403.

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 30 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 No 4-2009-5002M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Material Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance*