

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 24, 2012

Mr. M. Dwayne Burton
Vice President, Gas Pipeline Operations
Natural Gas Pipeline Company of America
500 Dallas, Suite 1000
Houston, TX 77002

CPF 4-2012-1019M

Dear Mr. Burton:

From May through December 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Natural Gas Pipeline Company of America's (NGPL) procedures for Operations and Maintenance at your Lakewood, CO office and your Gulf Coast pipelines district offices.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within NGPL's plans or procedures, as described below:

- 1. §192.605 Procedural manual for operations, maintenance, and emergencies**
 - (a) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**
 - (4) Gathering of data needed for reporting incidents under Part 191 of this chapter in a timely and effective manner.**

NGPL procedures did not include a definition for incidents but only referenced 49 CFR § 191.3. NGPL should amend their procedures to define incidents that are required for making telephonic notices to the National Response Center and written reports to PHMSA.

2. §192.805 Qualification Program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

NGPL's Operator Qualification Plan did not have a process for managing qualifications of individuals, including contractors, who perform covered tasks during program integration following a merger or acquisition.

NGPL should amend their Operator Qualification Plan to describe the process for ensuring OQ qualifications, evaluations, and performance of covered tasks during the merger with or acquisition of other entities. This process should also include contractors.

3. §192.805 Qualification Program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(g) Identify those covered tasks and the intervals at which evaluation of the individual's qualifications is needed.

NGPL's Operator Qualification Plan, section 3.3.1 Re-evaluation at Subsequent Intervals, states that "qualified Evaluatees who perform the specific covered task will be evaluated before or during the final year of the subsequent OQ qualification interval for that task (third year). If the subsequent OQ qualification does not take place before December 31 of the third (or final) year of the interval the Evaluatee will be deemed unqualified to perform that task." This could allow up to four years for a three year re-evaluation interval.

NGPL should amend their Operator Qualification Plan to implement a grace period that would not exceed three months beyond the three year re-evaluation interval.

4. §192.805 Qualification Program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(i) After December 16, 2004, notify the Administrator or a state agency participating under 49 U.S.C. Chapter 601 if the operator significantly modifies the program

after the Administrator or state agency has verified that it complies with this section.

NGPL's Operator Qualification Plan did not specify increases in the number of non-qualified individuals who may perform a covered task while being directed and observed by a qualified individual (span of control) as a significant change. Although NGPL trains their employees on all covered tasks every three years, increase in evaluation intervals is not considered in the Operator Qualification plan as a significant change.

NGPL should amend its Operator Qualification Plan to include increases in the number of non-qualified individuals who may perform a covered task while being directed and observed by a qualified individual (span of control) and increases in evaluation intervals as significant changes that would require notification to PHMSA or appropriate state agencies.

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.

It is requested (not mandated) that NGPL maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2012-1019M** 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 Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*