



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 6, 2011

Mr. Michael Catt
Vice President of Operations
Colorado Interstate Gas Company
2 North Nevada Avenue
Colorado Springs, CO 80903

CPF 5-2011-1008M

Dear Mr. Catt:

On July 19-21, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Ruby Pipeline's Operation and Maintenance (O&M) manual in Colorado Springs, Colorado. The O&M manuals were reviewed to ensure they included procedures to address the Maximum Alternative Operating Pressure (MAOP) as specified in 49 CFR Part 192. In addition, representatives reviewed the changes and additions that were incorporated into the O&M Procedures Manual between 2005 and 2011, the time since the last PHMSA O&M review.

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

1. §192.225 Welding Procedures

(a) Welding must be performed by a qualified welder in accordance with welding procedures qualified under section 5 of API 1104 (incorporated by reference, see §192.7) or section IX of the ASME Boiler and Pressure Vessel Code "Welding and Brazing Qualifications" (incorporated by reference, see §192.7) to produce welds meeting the requirements of this subpart. The quality of the test welds used to qualify welding procedures shall be determined by destructive testing in accordance with the applicable welding standard(s).

(b) Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.

Ruby Pipeline's Welding Manual was last revised on March 30, 2008. This document is incorporated by reference in the O&M Procedures Manual and must be reviewed and updated at intervals not exceeding 15 months, but at least once each calendar year. All manuals referenced in the O&M Procedures Manual must be reviewed and updated on the same schedule as the O&M Procedures Manual in accordance with §192.605(a). Ruby's Pipeline Welding Manual must be amended to incorporate welding procedure changes, including referenced industry standards.

The Welding Manual did not clearly state the applicable section of API 1104 when a particular section is implied in the procedures. This should be done at least once and, at a minimum, where the particular section is first implied. Similarly, the edition of API 1104 should be clearly stated at least once and, at a minimum, where API 1104 is first referenced in the procedures. The Welding Manual, Section WM120, 2.3 – Qualification of Welding Procedures, did not reference Section 5 of API 1104. In addition, the Welding Manual, Section WM015, 2.1.b.i – Referenced Standards, did not reference the correct edition of API 1104. The 19th edition was referenced instead of the current 20th edition. Ruby Pipeline must amend their Welding Manual to reference the correct section and edition of API 1104.

2. §192.227 Qualification of Welders

(a) Except as provided in paragraph (b) of this section, each welder must be qualified in accordance with section 6 of API 1104 (incorporated by reference, see § 192.7) or section IX of the ASME Boiler and Pressure Vessel Code (incorporated by reference, see § 192.7). However, a welder qualified under an earlier edition than listed in § 192.7 of this part may weld but may not requalify under that earlier edition.

(b) A welder may qualify to perform welding on pipe to be operated at a pressure that produces a hoop stress of less than 20 percent of SMYS by performing an acceptable test weld, for the process to be used, under the test set forth in section I of Appendix C of this part. Each welder who is to make a welded service line connection to a main must also first perform an acceptable test weld under section II of Appendix C of this part as a requirement of the qualifying test.

The Welding Manual should clearly state the applicable section of API 1104 when a particular section is implied in the Welder Qualification procedures. This should be done at least once and, at a minimum, where the particular section is first implied. Ruby Pipeline's Welding Manual, Section WM090, 1.4 – Welding Qualification to API 1104, did not reference Section 6 of API 1104. Ruby Pipeline must amend their Welding Manual to reference the correct section of API 1104.

3. §192.605 Procedural manual for operations, maintenance, and emergencies.

(d) Safety-related condition reports. The manual required by paragraph (a) of this section must include instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of §191.23 of this subchapter.

Ruby Pipeline's O&M Procedures Manual, Section 801, Safety-Related Conditions – Responsibilities, did not clearly define the responsibilities of operator personnel for recognizing, determining and reporting safety-related conditions. The operator needs to clarify and expand on these responsibilities.

4. §192.933 What actions must be taken to address integrity issues?

(a) General requirements. An operator must take prompt action to address all anomalous conditions the operator discovers through the integrity assessment. In addressing all conditions, an operator must evaluate all anomalous conditions and remediate those that could reduce a pipeline's integrity. An operator must be able to demonstrate that the remediation of the condition will ensure the condition is unlikely to pose a threat to the integrity of the pipeline until the next reassessment of the covered segment.

The Pipeline Operating Procedures (POP) Manual, Section 306, In-Line Inspection and Data Analysis, did not clearly describe the necessary guidelines for in-line inspection and data analysis. The procedure was written in such a way that the reader may misconstrue how to appropriately analyze in-line inspection data and identify anomalies. Ruby Pipeline must amend their procedure, clarifying the guidelines for In-Line Inspection and Data Analysis.

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 60 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 Ruby Pipeline maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2011-1008M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry
PHP-500 C. Lee (#135653)