



U.S. Department
of Transportation
Pipeline and Hazardous Materials
Safety Administration

OCT 30 2018

1200 New Jersey Avenue SE
Washington DC 20590

The Honorable Harry K. Brower, Jr., Mayor
North Slope Borough
P. O. Box 69
Barrow, Alaska 99723

Re: CPF No. 5-2016-0019M

Dear Mayor Brower:

Enclosed please find the Order Directing Amendment issued in the above-referenced case. It makes findings of inadequate procedures and requires that North Slope Borough Energy Management, a division of the North Slope Borough, amend certain operating and maintenance procedures for its gas distribution system and submit such procedures to PHMSA within 30 days of receipt of this Order. When the amendment of procedures has been completed, as determined by the Director, Western Region, this enforcement action will be closed. Service of the Order by certified mail is effective upon the date of mailing, as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Ms. Kim West, Director, Western Region, Office of Pipeline Safety, PHMSA
Mr. James Wolgemouth, Fuel Division, Department of Public Works, North Slope
Borough Energy Management, P. O. Box 69, Barrow, Alaska 99723

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of

**North Slope Borough Energy Management, a division
of North Slope Borough, Alaska,
a municipal corporation,**

Respondent.

CPF No. 5-2016-0019M

ORDER DIRECTING AMENDMENT

From July 11-15, 2016, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an inspection of the procedures of Nuiqsut Utilities Cooperative, which is part of North Slope Borough Energy Management (North Slope or Respondent) in Nuiqsut, Alaska. North Slope, a division of the Department of Public Works, North Slope Borough, operates and maintains the power plants and distribution of electric energy in seven villages on the North Slope of Alaska, including a natural gas distribution pipeline system.¹ The Nuiqsut Utilities Cooperative operates the local natural gas distribution system comprised of almost 4 miles of mains and 163 miles of plastic distribution piping.²

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated October 6, 2016, a Notice of Amendment (Notice). In accordance with 49 C.F.R. § 190.206, the Notice proposed finding that certain of North Slope's plans and procedures were inadequate to assure safe operation of its pipeline facilities and proposed that Respondent amend its procedures for operations, maintenance, and emergencies.

Respondent failed to respond within 30 days of receipt of service of the Notice.³ Under 49 C.F.R. § 190.208(d), such failure to respond constitutes a waiver of North Slope's right to

¹ See <http://www.north-slope.org/departments/public-works/utilities-power-lights>. Current as of July 7, 2017.

² See North Slope Borough Energy Management 2016 PHMSA Annual Report: https://primis.phmsa.dot.gov/comm/reports/operator/OperatorReport_opid_31142.html?nocache=7767.

³ The Borough accepted service on October 14, 2016. See U.S. Postal Service Certified Mail Receipt (on file with PHMSA).

contest the allegations in the Notice and authorizes the Associate Administrator, without further notice, to find facts as alleged in the Notice and issue this Order Directing Amendment (Order) under § 190.206. In this instance, PHMSA also contacted Respondent by telephone to discuss the issues in the Notice with North Slope.⁴ Considering such circumstances and the safety concerns raised in the Notice, I find it reasonable and appropriate to enter this Final Order without further proceedings.

FINDINGS OF INADEQUATE PROCEDURES

The Notice alleged certain inadequacies in Respondent's *Gas Operating and Maintenance (O&M) Manual* and the *Nuiqsut Gas Distribution System Pipeline-Specific Operating Manual (PSOM)*, and proposed requiring North Slope to amend its procedures to ensure safe operations as follows:

Item 1: The Notice alleged that Respondent's procedures were inadequate with regard to 49 C.F.R. § 192.605(b)(1), which states:

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

(a) ...

(b) *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.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

The Notice alleged that Respondent's procedures were inadequate with regard to 49 C.F.R. § 192.605(b)(1) because North Slope's *O&M Manual* and the *PSOM* did not include adequate procedures for conducting periodic odorant sampling required by § 192.625(f). Specifically, the *PSOM* indicated that "sniff testing" was performed but did not specify how or where the tests were to be conducted.

Respondent did not contest this allegation. Accordingly, based upon a review of all the evidence, I find that Respondent's procedures were inadequate as alleged in the Notice. Respondent is hereby ordered to amend its O&M manual and *PSOM* to specify how the periodic sampling required by § 192.625(f) will be performed.

Item 2: The Notice alleged that Respondent's procedures were inadequate with regard to 49 C.F.R. § 192.615(a)(3)(ii), which states:

§ 192.615 Emergency plans.

⁴ In its Region Recommendation, OPS indicated that an inspector from the OPS Alaska Office spoke with Mr. James Wolgemouth in the Borough's Department of Public Works on two occasions in January/ February 2017 and then left several follow-up voice messages. According to PHMSA records, no one from the North Slope Borough responded to the calls or filed any written response to the Notice.

(a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:

(1) ...

(3) Prompt and effective response to a notice of each type of emergency, including the following:

(i) ...

(ii) Fire located near or directly involving a pipeline facility. . . .

The Notice alleged that Respondent's procedures were inadequate with regard to 49 C.F.R. § 192.615(a)(3)(ii) because its *Emergency Plan* (pages 183-191 of the *O&M Manual*) did not contain provisions to address a fire on the pipeline facility. Specifically, the Notice alleged that NSB's *Emergency Plan* did not include plans to address a fire at the Pressure Reducing Valve (PRV) station, where high-pressure gas is present and flammable odorant is stored nearby.

Respondent did not contest this allegation. Accordingly, based upon a review of all the evidence, I find that Respondent's procedures were inadequate as alleged in the Notice. North Slope is hereby ordered to amend its *O&M Manual* and *PSOM* to include plans to address a fire at the PRV station, where high-pressure gas is present and flammable odorant is stored nearby.

Item 3: The Notice alleged that Respondent's procedures were inadequate with regard to 49 C.F.R. § 192.615(a)(4), which states:

§ 192.615 Emergency plans.

(a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:

(1) ...

(4) The availability of personnel, equipment, tools, and materials, as needed at the scene of an emergency.

The Notice alleged that Respondent's procedures were inadequate with regard to 49 C.F.R. § 192.615(a)(4) because they failed to reflect the emergency equipment that was available to North Slope personnel during a gas pipeline emergency. Specifically, the Notice alleged that North Slope's *Emergency Plan* procedures specified the use of two-way radios; however, responders in Nuiqsut were not equipped with two-way radios.

Respondent did not contest this allegation. Accordingly, based upon a review of all of the evidence, I find that Respondent's procedures were inadequate as alleged in the Notice. North Slope is hereby ordered to amend its *Emergency Plan* to reflect which equipment and tools are available to emergency response personnel in Nuiqsut to ensure that equipment is sufficient for a "prompt and effective response to a notice of each type of emergency," as required under § 192.615(a)(3).

Item 4: The Notice alleged that Respondent's procedures were inadequate with regard to 49 C.F.R. § 192.615(a)(10), which states:

§ 192.615 Emergency plans.

(a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:

(1) ...

(10) Beginning action under §192.617, if applicable, as soon after the end of the emergency as possible.

The Notice alleged that Respondent's procedures were inadequate with regard to 49 C.F.R. § 192.615(a)(10) because they failed to include provisions to initiate an investigation following an emergency response. Specifically, the Notice alleged that North Slope's *Emergency Plan* did not include procedures to begin an investigation of a failure as soon after the end of the emergency as possible.

Respondent did not contest this allegation. Accordingly, based upon a review of all the evidence, I find that Respondent's procedures were inadequate as alleged in the Notice. North Slope is hereby ordered to amend its *Emergency Plan* to provide specific procedures for beginning an investigation of a failure as soon after the end of the emergency as possible.

Item 5: The Notice alleged that Respondent's procedures were inadequate with regard to 49 C.F.R. § 192.617, which states:

§ 192.617 Investigation of failures.

Each operator shall establish procedures for analyzing accidents and failures, including the selection of samples of the failed facility or equipment for laboratory examination, where appropriate, for the purpose of determining the causes of the failure and minimizing the possibility of a recurrence.

The Notice alleged that Respondent's procedures were inadequate with regard to 49 C.F.R. § 192.617 because they failed to include procedures for analyzing accidents and failures, including the selection of samples of the failed facility or equipment for laboratory examination, where appropriate, to determine the causes of the failure and minimizing the possibility of a recurrence.

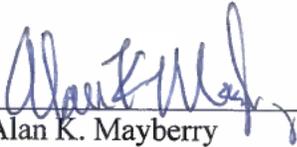
Respondent did not contest this allegation. Accordingly, based upon a review of all the evidence, I find that Respondent's procedures were inadequate as alleged in the Notice. North Slope is hereby ordered to amend its procedures to include provisions to investigate and analyze accidents and failures.

Pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206, North Slope is ordered to revise its procedures as specified in Items 1 through 5, above. North Slope must submit the amended procedures to the Director, Western Region, **within 30 days** following receipt of this Order.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

The terms and conditions of this Order Directing Amendment are effective upon service in accordance with 49 C.F.R. § 190.5.



Alan K. Mayberry
Associate Administrator
for Pipeline Safety

OCT 30 2018

Date Issued