

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 14, 2016

Mr. Franco Picciani
VP Technical Services
Eni US Operating Co. Inc.
1200 Smith Street, Suite 1700
Houston, TX 77002

CPF 5-2016-6014W

Dear Mr. Picciani:

On November 9, 10, 17, and 18, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Nikaitchuq Oil Pipeline on the Alaska North Slope, and operational records associated with that pipeline in Anchorage, Alaska.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

1. **§195.505 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;**

Eni US Operating Co., Inc. (Eni) did not adequately ensure that individuals performing covered tasks were qualified. PHMSA reviewed operator qualification (OQ) records and found that individuals performing valve maintenance and right-of-way patrols had not been qualified prior to conducting those tasks. Eni stated that other instances of individuals performing covered tasks who were not properly qualified would likely be found should PHMSA request more records. Eni stated that they are in the process of adopting new OQ database software, but had not completed its implementation prior to the 2016 inspection.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violation occurring between January 4, 2012 to August 1, 2016, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item identified in this letter. Failure to do so will result in Eni being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2016-6014W**. 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).

Sincerely,

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

cc: PHP-60 Compliance Registry
PHP-500 J. Gano (#153546)
Mr. Craig Keppers, Facility Engineer, Eni US Operating Co. Inc., 3800 Centerpoint Drive, Suite 300 Anchorage, Alaska 99503