

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 6, 2018

The Honorable Harry K. Brower, Jr., Mayor
North Slope Borough
P.O. Box 69
1274 Agvik Street
Barrow, Alaska 99723

CPF 5-2018-0012M

Dear Mayor Brower:

On September 26 through 30, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Barrow Utilities and Electric Cooperative, Inc. (BUECI) procedures for Natural Gas Distribution in Barrow, Alaska.

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

1. **§ 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.
 - (2) **Controlling corrosion in accordance with the operations and maintenance requirements of subpart I of this part.**

§ 192.459 requires that: "Whenever an operator has knowledge that any portion of a buried pipeline is exposed, the exposed portion must be examined for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated. If external corrosion requiring remedial action under §§ 192.483 through 192.489 is found, the operator shall investigate circumferentially and longitudinally beyond the exposed portion (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the exposed portion." Written procedures, as required by § 192.605(b)(2) to address the requirements of § 192.459, were not in BEUCI's Operations and Maintenance (O&M) procedures manual.

2. **§ 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.
 - (3) Making construction records, maps, and operating history available to appropriate operating personnel.

BUECI's procedures did not include requirements for making construction records, maps and operating history available to appropriate operating personnel, as required by §192.605(b)(3).

3. **§ 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.
 - (4) Gathering of data needed for reporting incidents under Part 191 of this chapter in a timely and effective manner.

§ 191.9(a) requires that, "Except as provided in paragraph (c) of this section, each operator of a distribution pipeline system shall submit Department of Transportation Form RSPA F 7100.1 as soon as practicable but not more than 30 days after detection of an incident required to be reported under § 191.5." BUECI did not have a written process for "gathering of data needed for reporting incidents under Part 191 of this chapter in a timely and effective manner", and specifically, there was no written process for gathering data required for reporting incidents in accordance with § 191.9(a), as required by § 192.605(b)(4). Likewise, § 191.9(b) requires that, "When additional relevant information is obtained after the report is submitted under paragraph (a) of this section, the operator shall make supplementary reports as deemed necessary with a clear reference by date and subject to the original report." BUECI did not have a written process for "gathering of data needed for reporting incidents under Part 191 of this chapter in a timely and effective manner", and specifically, there was no written process for gathering data required for supplemental reporting of incidents in accordance with § 191.9(b), as required by § 192.605(b)(4).

4. **§ 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.
 - (8) Periodically reviewing the work done by operator personnel to determine the effectiveness, and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found.

BUECI's O&M procedures did not include requirements for periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operations and maintenance or for modifying the procedures when deficiencies are found, as required by § 192.605(b)(8).

5. **§ 192.605 Procedural manual for operations, maintenance, and emergencies.**
(a)
(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.

BUECI did not have a written process of "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."

6. **§ 192.615 Emergency plans.**
(a)
(b) **Each operator shall:**
(3) **Review employee activities to determine whether the procedures were effectively followed in each emergency.**

BUECI O&M procedures did not include reviewing of employee activities to determine whether the procedures were effectively followed in each emergency, as required by § 192.615(b)(3). Operator personnel said that tailgate meetings and discussions concerning response were held at the operations shop after emergencies. However, these were not documented.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If 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. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 45 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 Barrow Utilities and Electric Cooperative, Inc. maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Kim West, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2018-0012M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Kim West
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 A. Marlowe (#154154)
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