

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 10, 2018

Mr. Robert Rose
President
Idaho Pipeline Corporation
P.O. Box 35236
Sarasota, FL 34242

CPF 5-2018-6016M

Dear Mr. Rose:

On September 5 through 8, and September 18 through 21, 2017, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Idaho Pipeline Corporation's (IDPC) procedures for operations and maintenance in Boise, Idaho.

Based on the inspection, PHMSA has identified apparent inadequacies found within IDPC's plans or procedures. Preliminarily, PHMSA noted during the inspection that many of IDPC's procedures repeat or paraphrase the regulatory text, instead of providing instruction or a process for how to implement the regulatory requirement, as further described below:

1. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a) **General.** Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.
 - (c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:
 - (1) . . .
 - (2) Gathering of data needed for reporting accidents under subpart B of this part in a

timely and effective manner.

IDPC's procedural manual for operations, maintenance and emergencies (O&M) did not include adequate procedures for the gathering of data needed for reporting accidents in accordance with 49 C.F.R. §195, Subpart B. Although Section 3.3 of IDPC's O&M Manual mentions reporting accidents, IDPC did not have a detailed procedure for gathering necessary data for reporting accidents in a timely and effective manner. Instead, IDPC's O&M only paraphrased the code requirements, and did not set forth the steps or processes the operator will follow to achieve the code requirements. For example, a procedure could identify what information should be gathered for reporting accidents, who is responsible for completion of this task, and deadlines to ensure the data is received in a timely manner.¹

2. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a) . . .
 - (c) ***Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**
 - (1) . . .
 - (3) **Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

IDPC's O&M did not include adequate written procedures for the inspection of in-service breakout tanks in accordance with §195.432(a).² At the time of the inspection, IDPC's O&M failed to have a written procedure describing the methods for performing routine in-service atmospheric and low-pressure steel above-ground breakout tank inspections, including specification of an interval to comply with the regulatory deadline. At a minimum, IDPC's procedure should include all steps, based on the operator's system that would be followed to perform routine in-service inspections of breakout tanks. This procedure could include, but not be limited to, inspection information on evidence of leaks, shell distortions, conditions of the foundations, and paint coatings.

3. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a) . . .
 - (c) ***Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**

¹ This example, or any example included in this Notice, is not an inclusive list of possible revisions to IDPC's written procedures. All written procedures developed in response to this Notice should be specific to the operator's system and not solely reliant on the limited proposed revisions PHMSA may suggest in this Notice.

² See 49 C.F.R. §195.432(a) (requiring operators, at intervals not exceeding 15 months, but at least once each calendar year, to inspect each in-service breakout tank except for breakout tanks covered in (b) and (c) of that section).

- (1) . . .
- (5) **Analyzing pipeline accidents to determine their causes.**

IDPC did not establish adequate written procedures for analyzing the causes of pipeline accidents in accordance with §195.402(c)(5). At the time of the inspection, IDPC’s O&M Manual did not have a section or a procedure for analyzing pipeline accidents to determine their causes.

- 4. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a) . . .
 - (c) ***Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**
 - (1) . . .
 - (12) **Establishing and maintaining liaison with fire, police, and other appropriate public officials to learn the responsibility and resources of each government organization that may respond to a hazardous liquid or carbon dioxide pipeline emergency and acquaint the officials with the operator's ability in responding to a hazardous liquid or carbon dioxide pipeline emergency and means of communication.**

IDPC did not establish adequate written procedures for establishing and maintaining liaison with fire, police, and other appropriate public officials to learn the responsibility and resources of each government organization that may respond to a hazardous liquid or carbon dioxide pipeline emergency and acquaint the officials with the operator's ability in responding to a hazardous liquid or carbon dioxide pipeline emergency and means of communication in accordance with §195.402(c)(12). At the time of the inspection, IDPC did not have a procedure in place to explain how it establishes and maintains liaison with emergency response personnel.

- 5. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a) . . .
 - (c) ***Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**
 - (1) . . .
 - (13) **Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.**

IDPC did not establish adequate written O&M procedures to periodically review the work done by its personnel to determine the effectiveness of the procedures used in normal operation and maintenance, and take corrective action where deficiencies are found in accordance with §195.402(c)(13). At the time of the inspection, it was noted that IDPC’s O&M manual did not have a procedure for periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures. Instead, IDPC’s O&M only paraphrased the code requirements, and did not set forth the steps or process in which the operator will achieve the code requirements, such as who would perform the review and how often, the method of evaluating the procedure for effectiveness (i.e., direct observation, near miss data, employee feedback, etc.), and documentation of the review.

- 6. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a)...
 - (e) ***Emergencies.* The manual required by paragraph (a) of this section must include**

procedures for the following to provide safety when an emergency condition occurs:
(1) Receiving, identifying, and classifying notices of events which need immediate response by the operator or notice to fire, police, or other appropriate public officials and communicating this information to appropriate operator personnel for corrective action.

IDPC did not establish adequate written emergency procedures for receiving, identifying and classifying notices of events which need immediate response by the operator or notice to fire, police, or other appropriate public officials and communicating this information to appropriate operator personnel for corrective action in accordance with §195.402(e)(1). At the time of the inspection, IDPC's emergency operations, Section 3.0 of the O&M Manual, failed to have a procedure for receiving, identifying, and classifying notices of events which need immediate response and providing notice to operator personnel or to fire, police or other appropriate officials, as appropriate, for corrective action. Instead, IDPC's O&M only paraphrased the code requirements, and did not set forth the steps or process the operator will take to achieve the code requirements.

7. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) . . .

(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:

(1) . . .

(2) Prompt and effective response to a notice of each type emergency, including fire or explosion occurring near or directly involving a pipeline facility, accidental release of hazardous liquid or carbon dioxide from a pipeline facility, operational failure causing a hazardous condition, and natural disaster affecting pipeline facilities.

IDPC did not establish adequate written emergency procedures for prompt and effective response to a notice of each type emergency in accordance with §195.402(e)(2). At the time of the inspection, IDPC's emergency operations, Section 3.0 of the O&M Manual, failed to have a procedure for making a prompt and effective response to a notice of a fire, explosion, accidental release of a hazardous liquid, operational failure causing a hazardous condition, or natural disaster affecting the pipeline. Instead, IDPC's O&M only paraphrased the code requirements, and did not set forth the steps or process it will take to achieve the code requirements including, for example, how it will accomplish a "prompt and effective" response to these emergencies.

8. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) . . .

(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:

(1) . . .

(3) Having personnel, equipment, instruments, tools, and material available as needed at the scene of an emergency.

IDPC did not establish adequate written emergency procedures for having personnel, equipment, instruments, tools and material available at the scene of an emergency in accordance with §195.402(e)(3). At the time of the inspection, IDPC's emergency plan failed to include a procedure to ensure the availability of personnel, equipment, instruments, tools, and materials as needed at the scene of an emergency.

9. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
(a) . . .
(e) ***Emergencies.*** The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:
(1) . . .
(4) **Taking necessary action, such as emergency shutdown or pressure reduction, to minimize the volume of hazardous liquid or carbon dioxide that is released from any section of a pipeline system in the event of a failure.**

IDPC did not establish adequate written emergency procedures for taking necessary action to minimize the volume of hazardous liquid releases in accordance with §195.402(e)(4). At the time of the inspection, IDPC's emergency plan failed to include a procedure for taking necessary action, such as an emergency shutdown or pressure reduction, to minimize the volume released from any section of a pipeline system in the event of a failure.

10. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
(a) . . .
(e) ***Emergencies.*** The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:
(1) . . .
(5) **Control of released hazardous liquid or carbon dioxide at an accident scene to minimize the hazards, including possible intentional ignition in the cases of flammable highly volatile liquid.**

IDPC did not establish adequate written emergency procedures on how to control the release of hazardous liquid at an accident scene in accordance with §195.402(e)(5). At the time of the inspection, IDPC's emergency plan failed to include a procedure for controlling the release of liquid at an accident scene to minimize the hazards, including possible intentional ignition in the cases of flammable highly volatile liquid.

11. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
(a) . . .
(e) ***Emergencies.*** The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:
(1) . . .
(6) **Minimization of public exposure to injury and probability of accidental ignition by assisting with evacuation of residents and assisting with halting traffic on roads and railroads in the affected area, or taking other appropriate action.**

IDPC did not establish adequate written emergency procedures on how to minimize the public exposure to injury and probability of accidental ignition in accordance with §195.402(e)(6). At the time of the inspection, IDPC's emergency plan failed to include a procedure for minimizing public exposure to injury and probability of accidental ignition by assisting with evacuation, assisting with halting traffic on roads and railroads, or taking other appropriate action.

12. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
(a) . . .
(e) ***Emergencies.*** The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:

(1) . . .

(7) Notifying fire, police, and other appropriate public officials of hazardous liquid or carbon dioxide pipeline emergencies and coordinating with them preplanned and actual responses during an emergency, including additional precautions necessary for an emergency involving a pipeline system transporting a highly volatile liquid.

IDPC did not establish adequate written emergency procedures for notifying fire, police, and other appropriate public officials of hazardous liquid or carbon dioxide pipeline emergencies, and coordinating with them preplanned and actual responses during an emergency, including additional precautions necessary for an emergency involving a pipeline system transporting a highly volatile liquid, in accordance with §195.402(e)(7). At the time of the inspection, IDPC's emergency plan failed to include a procedure for notifying fire, police, and other appropriate public officials of hazardous liquid emergencies and coordinating with them preplanned and actual responses during an emergency. Instead, IDPC's O&M only paraphrased the code requirements, and did not set forth the steps or process in which it will achieve the code requirements.

13. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) . . .

(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:

(1) . . .

(9) Providing for a post accident review of employee activities to determine whether the procedures were effective in each emergency and taking corrective action where deficiencies are found.

IDPC did not establish adequate written emergency procedures for providing a post-accident review of employee activities to determine the effectiveness of the procedures and to take corrective action where deficiencies are found in accordance with §195.402(e)(9). At the time of the inspection, IDPC's emergency plan failed to include a procedure for providing for a post-accident review of employee activities to determine whether the procedures were effective in each emergency and taking corrective action where deficiencies are found. IDPC's O&M only paraphrased the code requirements, and did not set forth the steps or process in which it will achieve the code requirements.

14. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) . . .

(f) *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 § 195.55.

IDPC did not establish adequate written safety-related condition reports procedures in accordance with §195.402(f). At the time of the inspection, IDPC's O&M Manual, Section 3.4 - Safety Related Criteria, simply paraphrased the code requirements, and did not set forth the steps or process in which IDPC will achieve the code requirements.

15. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) *General.* Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate

changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

IDPC did not establish adequate written emergency response training procedures in accordance with §195.403. At the time of the inspection, it was noted that IDPC's O&M, Section 3.2 - Emergency Response Training, page 11 and 12, only paraphrased the code requirements, and did not set forth the steps or process in which IDPC will conduct a training program to instruct emergency response personnel as required by §195.403(a)(1-5).

- 16. §195.402 Procedural manual for operations, maintenance, and emergencies.**
(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

IDPC did not establish adequate written emergency response training procedures on how to make appropriate changes to the emergency response training program as necessary to ensure that it is effective in accordance with §195.403(b)(2). At the time of the inspection, it was noted that IDPC's O&M, Section 3.2.2, page 12, only paraphrased the code requirements, and did not set forth a process or procedure on how IDPC would ensure that its emergency response training program is effective.

- 17. §195.402 Procedural manual for operations, maintenance, and emergencies.**
(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

IDPC did not have adequate written procedures to carry out the emergency procedures established under §195.402(e) in violation of §195.402(a), which requires that each operator prepare and follow a written set of procedures for emergencies. Specifically, IDPC's written procedures failed to explain how it would require and verify that its supervisors maintain a thorough knowledge of the emergency response procedures for which they are responsible to ensure compliance pursuant to §195.403(c).

- 18. §195.402 Procedural manual for operations, maintenance, and emergencies.**
(a) . . .
(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:
(1) . . .
(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

IDPC did not establish adequate written procedures for operating, maintaining, and repairing the pipeline in accordance with subpart F in violation of §195.402(c)(3). Specifically, IDPC failed to have

sufficient written procedures regarding protection provided against ignitions for above-ground breakout tanks in accordance with §195.405(a). At the time of the inspection, IDPC's O&M Manual, Section 6.5.1 - Breakout Tank Procedures, page 26, paraphrased the code requirements, and did not set forth the steps or process in which IDPC would achieve the code requirements in accordance with API RP 2003.³

19. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) . . .

(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

IDPC did not establish adequate written procedures for operating, maintaining, and repairing the pipeline in accordance with in violation of §195.402(c)(3). Specifically, IDPC failed to have sufficient written procedures regarding potentially hazardous conditions, safety practices, and procedures in API Pub 2026 for above-ground breakout tanks in accordance with §195.405(b). At the time of the inspection, IDPC failed to mention this regulatory requirement in its O&M Manual.

20. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) *General.* Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

IDPC did not establish an adequate written damage prevention program in accordance with §195.442(a). At the time of the inspection, it was noted that IDPC's Damage Prevention Program was not clearly defined. The requirements of the program and procedures were vague and it appeared that IDPC was confusing with the requirements for damage prevention with the requirements of a public awareness program under §195.440. Further, IDPC's Damage Prevention Program did not have provisions for most of the regulatory requirements listed in §195.442.

21. §195.505 Qualification program.

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

(a) . . .

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

IDPC did not establish an adequate written Operator Qualifications (OQ) program to ensure through evaluation that individuals performing covered tasks were qualified pursuant to §195.505(b). At the time of the inspection, no process/procedures were in place to establish evaluation methods for initial and subsequent qualification. In fact, IDPC's OQ Program did not identify task specific evaluation methods.

³ In the alternative, IDPC's written procedures could explain why compliance with all or certain provisions of API RP 2003 is not necessary for the safety of a particular breakout tank. §195.405(a).

In addition, IDPC's OQ Plan did not identify the pass/fail criteria for written testing or for performance evaluations.

22. §195.505 Qualification program.

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

(a) . . .

(c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified.

IDPC did not establish an adequate written OQ program that included provisions to allow individuals who are not qualified pursuant to Part 195, Subpart G to perform a covered task if directed and observed by an individual who is qualified pursuant to §195.505(c). At the time of the inspection, IDPC failed to have a procedure and could not explain how span of control ratios were established, despite the fact that every covered task had a span of control of 1:3. IDPC failed to address factors that may vary the span of control, such as the ability (distance from worker; noise level affecting communication; ambient lighting; weather, etc.) of the qualified individual to direct the performance of the task by unqualified individuals.

23. §195.505 Qualification program.

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

(a) . . .

(f) Communicate changes that affect covered tasks to individuals performing those covered tasks.

IDPC did not establish an adequate written OQ program that included provisions to communicate changes that affect covered tasks to individuals performing those tasks pursuant to §195.505(f). At the time of the inspection, IDPC failed to have a change management methodology so that it knows when changes are occurring, what changes have an impact on covered task performance, and the relative significance of the change and how it affects the continued qualification of individuals. Subsequently, IDPC failed to address how it will effectively communicate these changes to those individuals performing covered tasks.

24. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) . . .

(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

IDPC did not establish adequate written procedures for operating, maintaining, and repairing the pipeline in accordance with subpart H in violation of §195.402(c)(3). Specifically, IDPC failed to have sufficient written procedures regarding corrosion control procedures for maintaining current records or maps in accordance with §195.589(a). At the time of the inspection, IDPC failed to identify in its O&M a procedure that requires current maps and/or records to show the location of cathodically protected pipelines, cathodic protection facilities (including galvanic anodes, installed after January 28, 2002), and neighboring structures bonded to cathodic protection systems.

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 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 Idaho Pipeline Corporation 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 5-2018-6016M** 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 D. Fehling (#155733)