

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 25, 2019

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

CPF 5-2019-0007M

Dear Mayor Brower:

From July 10 through 14, 2017 and again from November 13 through 15, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected your Nuiqsut Utility Cooperative (NUC) natural gas distribution system facilities, procedures, and implementing records associated with that system in Nuiqsut, Alaska. NUC is overseen by the Fuel & Natural Gas division of the Department of Public Works, North Slope Borough (NSB).

Based on our inspection, PHMSA has identified the apparent inadequacies within NSB's plans or procedures for the operations and maintenance of the NUC distribution system, as described below:

- 1. §192.241(a) Inspection and test of welds.**
 - a) Visual inspection of welding must be conducted by an individual qualified by appropriate training and experience to ensure that:....**

The NSB welding procedure does not specify what level of training and experience is required to qualify individuals to conduct welding inspection tasks.

2. § 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: ...

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

The NSB procedures do not provide inventories of required emergency response equipment, tools, and materials as needed at the scene of an emergency. The NSB procedures must define the required emergency response equipment, tools, and materials that will be maintained at NSB's facilities. The procedures should include a process to confirm that the quantities of all equipment, tools, and materials listed on the inventory are available during an emergency.

3. § 192.615 Emergency Plans.

...(b) Each operator shall: ...

(2) Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective.

The NSB procedures do not identify how appropriate NUC operating personnel are trained with respect to NSB's emergency procedures, or how NSB verifies that such training is effective. NSB procedures must identify how appropriate operating personnel are trained in NSB's emergency procedures, and how NSB verifies that such training is effective.

4. § 192.605 Procedural Manual for Operations, Maintenance, and Emergencies.

...(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.

NSB's procedures do not contain a procedure to address further examination of exposed buried pipe in instances where external corrosion is discovered and the discovered corrosion requires specific remedial action. Subpart I of part 192, specifically § 192.459, requires the following: "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." NSB's procedures are silent in this regard, and are therefore inadequate to assure the safe operation of the pipeline. NSB shall amend its procedures to provide clear direction for what additional examination tasks are required in instances where external corrosion requiring remedial action is discovered.

5. § 192.805 Qualification program

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

(a) Identify covered tasks;

NSB did not include all covered tasks in their operator qualification (OQ) program as required by §192.805. Specifically, our inspection of the OQ program noted that application of protective tape wrap, which meets the definition of a “covered task,” was not included in the written qualification program. NSB must amend its written qualification program such that application of the protective tape wrap is identified as a covered task. All other tasks that may be expected to be performed on the distribution system and meets the definition of “covered tasks” as defined by §192.801(b) are required to be identified in the OQ program.

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 90 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 NSB 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, Acting Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2019-0007M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

cc: Allen Snow, Division Manager, Fuel and Natural Gas (allen.snow@north-slope.org)
Tasi Fosi, Acting Project Administrator, Fuel and Natural Gas (tasi.fosi@north-slope.org)
Don Eller, General Manager, Nuiqsut Utilities Cooperative (nalaska@ytcmail.com)
PHP-60 Compliance Registry
PHP-500 M. Chard (#155154)

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