



May 29, 2020

Dustin Hubbard
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

CPF 5-2020-0004M
Notice of Amendment

Dear Mr. Hubbard

In response to the PHMSA Notice of Amendment with a Proposed Compliance Order (NOPV/PCO), CPF 5-2020-0004M, FNG is submitting the following response.

PHMSA Comment:

§ 192.285 Plastic pipe: Qualifying persons to make joints.

(d) Each operator shall establish a method to determine that each person making Joints in plastic pipelines in the operator's system is qualified in accordance with this section.

1. FNG Standard Operating Procedure (SOP) 2220 Plastic Pipe Fusion Precautions, SOP 2222 Saddle Fusion Procedure, SOP 2221 Butt Fusion Procedure, SOP 2225 Side Tap Procedures (Hot Tap Tool) and SOP 2230 Electrofusion Procedure were inadequate because they did not establish a method to determine that each person making joints in plastic pipelines in the operator's system is qualified in accordance with the testing required by § 192.285(b). The Training & Qualification sections of the above listed procedures stated operators will be qualified to make hot tap or other joints based on on-the-job training, SOP review, performance on-the-job, oral examination, and written examination. A person must be qualified based on the joint specimen testing as required by the code.

FNG Response:

FNG has revised the following SOPS for qualifying and operator to make joints.
SOP 2220 Plastic Pipe Fusion Precautions – Appendix A
SOP 2222 Saddle Fusion Procedure - Appendix B
SOP 2221 Butt Fusion Procedure - Appendix C
SOP 2225 Side Tap Procedures (Hot Tap Tool) - Appendix D
SOP 2230 Electrofusion Procedure - Appendix E

PHMSA Comment:

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

(a) *General.* Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(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.

1. FNG's SOP 2225 Side Tap Procedures (Hot Tap Tool) was inadequate because it did not require individuals performing hot taps to be qualified as required by § 192.627.

FNG Response:

FNG has revised SOP 2225 Side Tap Procedures (Hot Tap Tool), requiring individuals performing hot taps to be qualified as required by § 192.627. Please see attached revised SOP 2225 Side Tap Procedures (Hot Tap Tool) - Appendix D

PHMSA Comment:

§ 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.

1. FNG's SOP 1425 Investigation of Accidents and Material Failures was inadequate because they do not require the selection of samples of failed facilities or equipment for laboratory examination, where appropriate, for determining the causes of the failure, as required.



FNG Response:

FNG has revised SOP 1425 Investigation of Accidents and Material Failures. Please see attached revised SOP 1425 Investigation of Accidents and Material Failures - Appendix G.

PHMSA Comment:

§ 192.1007 What are the required elements of an integrity management plan?

A written integrity management plan must contain procedures for developing and implementing the following elements:

- (a) Knowledge. An operator must demonstrate an understanding of its gas distribution system developed from reasonably available information.**
- (1) Identify the characteristics of the pipeline's design and operations and the environmental factors that are necessary to assess the applicable threats and risks to its gas distribution pipeline.**
 - (2) Consider the information gained from past design, operations, and maintenance.**
 - (3) Identify additional information needed and provide a plan for gaining that information over time through normal activities conducted on the pipeline (for example, design, construction, operations or maintenance activities).**
 - (4) Develop and implement a process by which the IM program will be reviewed periodically and refined and improved as needed.**
 - (5) Provide for the capture and retention of data on any new pipeline installed. The data must include, at a minimum, the location where the new pipeline is installed and the material of which it is constructed.**

1. FNG did not have a written Distribution Integrity Management Plan (DIMP) beyond some sections printed out of the Simple, Handy, Risk-based Integrity Management Plan (SHRIMP) assessment. The plan did not have an adequate description of data sources, consideration of environmental risk factors, a risk evaluation model or method, methods of ranking threats, or periodic review and improvement plan.

FNG Response:

FNG has revised the written Distribution Integrity Management Plan (DIMP) for the required elements outlined in § 192.1007. Please see attached revised the written Distribution Integrity Management Plan (DIMP) - Appendix F.



PHMSA Comment:

§ 192.1007 What are the required elements of an integrity management plan?

A written integrity management plan must contain procedures for developing and implementing the following elements:

(b) *Identify threats.* The operator must consider the following categories of threats to each gas distribution pipeline: corrosion, natural forces, excavation damage, other outside force damage, material or welds, equipment failure, incorrect operations, and other concerns that could threaten the integrity of its pipeline. An operator must consider reasonably available information to identify existing and potential threats. Sources of data may include, but are not limited to, incident and leak history, corrosion control records, continuing surveillance records, patrolling records, maintenance history, and excavation damage experience.

1. FNG's DIMP does not contain an adequate description of the consideration given, if any, to environmental factors such as flooding, or frost heave as common threats unique to its system when identifying threats to the distribution system. The threats that were considered did not go beyond those recommended by SHRIMP.

FNG Response:

FNG has revised the written Distribution Integrity Management Plan (DIMP) for the required elements outlined in § 192.1007 (b) – Identifying Threats. Please see attached revised the written Distribution Integrity Management Plan (DIMP) - Appendix F.

PHMSA Comment:

§ 192.1007 What are the required elements of an integrity management plan?

A written integrity management plan must contain procedures for developing and implementing the following elements:

(e) *Measure performance, monitor results, and evaluate effectiveness.* (1) Develop and monitor performance measures from an established baseline to evaluate the effectiveness of its IM Program. An operator must consider the results of its performance monitoring in periodically re-evaluating the threats and risks. These performance measures must include the following:

- (i) Number of hazardous leaks either eliminated or repaired as required by § 192.703(c) of this subchapter (or total number of leaks if all leaks are repaired when found), categorized by cause;
- (ii) Number of excavation damages;
- (iii) Number of excavation tickets (receipt of information by the underground facility operator from the notification center);



- (iv) Total number of leaks either eliminated or repaired, categorized by cause;**
- (v) Number of hazardous leaks either eliminated or repaired as required by § 192. 703(c) (or total number of leaks if all leaks are repaired when found), categorized by material; and**
- (vi) Any additional measures the operator determines are needed to evaluate the effectiveness of the operator's IM program in controlling each identified threat.**

1. FNG's DIMP did not have any written procedures discussing how to measure performance, monitor results, and evaluate effectiveness of its integrity management plan.

FNG Response:

FNG has revised the written Distribution Integrity Management Plan (DIMP) for the required elements outlined in § 192.1007.
Please see attached revised the written Distribution Integrity Management Plan (DIMP) - Appendix F.

PHMSA Comment:

**§ 192.1007 What are the required elements of an integrity management plan?
A written integrity management plan must contain procedures for developing and implementing the following elements:**
(g) Report results. Report, on an annual basis, the four measures listed in paragraphs (e)(l)(i) through (e)(l)(iv) of this section, as part of the annual report required by § 191.11. An operator also must report the four measures to the state pipeline safety authority if a state exercises jurisdiction over the operator's pipeline.

1. FNG's DIMP did not have any written procedures discussing the requirements for reporting the four measures listed in § 192.1007(e)(l)(i) through (e)(l)(iv) to PHMSA as part of the annual report required by § 191.11.

FNG Response:

FNG has revised the written Distribution Integrity Management Plan (DIMP) for the required elements outlined in § 192.1007 (g) – Report results.
Please see attached revised the written Distribution Integrity Management Plan (DIMP) - Appendix F.

Sincerely,

Chris Gillespie, Operations Engineer
Fairbanks Natural Gas, LLC