

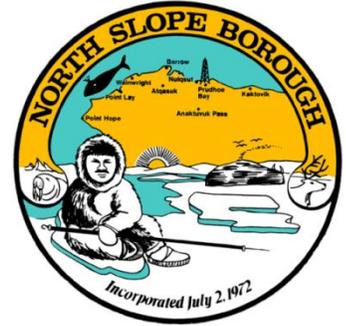
NORTH SLOPE BOROUGH

DEPARTMENT OF PUBLIC WORKS

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Scott K. Danner, Director

December 2, 2020

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

Re: Notice of Amendment and Compliance Order (CPF 5-2020-0011M)

Mr. Hubbard,

On November 18, 2020 the Borough Office of the Mayor received Notice of Amendment and Compliance Order **CPF 5-2020-0011M** from the Pipeline Hazardous Materials and Safety Administration (PHMSA) re; the Barrow natural gas pipeline and Nuiqsut natural gas pipeline. The warning letter, points to PHMSA inspections completed with date references of December 9 through 13, 2019 and March 10, 2020. PHMSA writes "On the basis of the inspection, PHMSA has identified an apparent inadequacy found within NSBEM's plans or procedures" To this, the Borough issues the following response:

ITEM # 1 § 192.935 What additional preventive and mitigative measures must an operator take?

(a) *General requirements...*

(b) Third party damage and outside force damage—

(1) *Third party damage.* An operator must enhance its damage prevention program, as required under §192.614 of this part, with respect to a covered segment to prevent and minimize the consequences of a release due to third party damage. Enhanced measures to an existing damage prevention program include, at a minimum—

(iv) Monitoring of excavations conducted on covered pipeline segments by pipeline personnel. If an operator finds physical evidence of encroachment involving excavation that the operator did not monitor near a covered segment, an operator must either excavate the area near the encroachment or conduct an above ground survey using methods defined in NACE SP0502 (incorporated by reference, see §192.7). An operator must excavate, and remediate, in accordance with ANSI/ASME B31.8S and §192.933 any indication of coating holidays or discontinuity warranting direct examination.

Issue Summary: "Section 10.2.2.2 of the operator's integrity management procedure stated that unreported construction activity would initiate an investigation. However, it did not state the code requirement that if an operator finds physical evidence of encroachment involving excavation that the operator did not monitor near a covered segment, an operator must either excavate the area near the encroachment or conduct an above ground survey using methods defined in NACE SP0502."

Response: The NSBEM has modified Section 10.2.2.2 of our Integrity Management Procedure to include code requirements for finding physical evidence of encroachment involving any excavations that the Operator did not monitor.

At the time of the PHMSA inspection, Section 10.2.2.2 of the Integrity Management Program read as follows:

10.2.2.2 Pipelines Located in HCAs

For pipelines operating below 30% SMYS and located in an HCA, the Barrow Gas Field Manager will do the following:

- 1 Strict use of only personnel qualified under NSB's Operator Qualification Program for locating, marking and supervision of all excavation work.
- 2 Participate in a One Call system for the Covered Segment.
- 3 Either monitor excavations near the pipeline or conduct patrols as required by 192.705 at bi-monthly intervals. If there is any indication of unreported construction activity, the Barrow Gas Field Manager is responsible for conducting a follow-up investigation to determine if mechanical damage has occurred.

Section 10.2.2 of the Integrity Management Program has been modified to read:

10.2.2.2 Pipelines Located in HCAs

For pipelines operating below 30% SMYS and located in an HCA, the Barrow Gas Field Manager will do the following:

- 1 Strict use of only personnel qualified under NSB's Operator Qualification Program for locating, marking and supervision of all excavation work.
- 2 Participate in a One Call system for the Covered Segment.
- 3 Either monitor excavations near the pipeline or conduct patrols as required by 192.705 at bi-monthly intervals. If there is any indication of unreported construction activity, the Barrow Gas Field Manager is responsible for conducting a follow-up investigation to determine if mechanical damage has occurred.
- 4 The follow-up investigation will consist of either excavating the pipeline in the area near the encroachment or conduct an above ground survey using methods defined in NACE SP0502 (per Table 2 – Close Interval Survey, Voltage Gradient Surveys, Pearson, or Current Attenuation Surveys) to identify changes in operation conditions.

Please contact my office if there may be any further questions or clarification needed.

Respectfully,

Joe Ramirez

Joe Ramirez, Division Program Manager
North Slope Borough
Department of Public Works

Cc; Harry K. Brower Jr., Mayor North Slope Borough
Scott K. Danner, Director Department of Public Works
Dale Kisse, Tikigaq/Conam LLC