



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628
609.771.7800

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

August 18, 2022

Mr. Andre Cangucu
President and Chief Executive Officer
Neptune LNG, LLC
1360 Post Oak Boulevard #400
Houston, Texas 77056

CPF 1-2022-048-NOA

Dear Mr. Cangucu:

From June 7, 2021 through June 11, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Neptune LNG, LLC's (Neptune) procedures for its underwater facilities located on the outer continental shelf adjacent to Massachusetts Bay.

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

1. § 191.22 National Registry of Operators.

(a) ...

(c) Changes. Each operator of a gas pipeline, gas pipeline facility, UNGSF, LNG plant, or LNG facility must notify PHMSA electronically through the National Registry of Operators at <https://portal.phmsa.dot.gov> of certain events.

Neptune's written reporting procedures were inadequate to ensure safe operation of a pipeline facility. Specifically, Neptune failed to have a procedure addressing notifications to PHMSA of changes in accordance with § 191.22(c).

During the inspection PHMSA requested Neptune's procedures regarding reporting of changes and was provided Neptune's *Neptune LNG Deepwater Port: Operations, Maintenance, and*

Emergency Response Procedure Manual: Appendix “J” To The Neptune Deepwater Port Operations Manual, dated May 2020 (O&M). Specifically, Section 1 in the O&M, *Reporting Procedures – 49 CFR 192.605(b)(4)*, failed to include a process for reporting changes in entity, acquisition/divestiture, and construction/update/uprate. Processes should include an itemization of the types of activities or events in which PHMSA must be notified, and the time frame in which the notifications must be made. Additionally, the website listed in the procedure failed to take the user to the appropriate place to meet the reporting requirements of § 191.22(c).

Therefore, Neptune’s written reporting procedures were inadequate to ensure safe operation of a pipeline facility in accordance with § 191.22(c). Neptune must revise its procedures to address this deficiency.

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.

(1) *Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.*

Neptune’s written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility in accordance with § 192.605(b)(1). Specifically, the *Abandonment or Deactivation Procedures* in the O&M failed to include sufficient details regarding the requirements for the abandonment and deactivation of pipelines and facilities identified in § 192.727(g)(1).¹

¹ § 192.727 Abandonment or deactivation of facilities.

(a) ...

(g) For each abandoned offshore pipeline facility or each abandoned onshore pipeline facility that crosses over, under or through a commercially navigable waterway, the last operator of that facility must file a report upon abandonment of that facility.

(1) The preferred method to submit data on pipeline facilities abandoned after October 10, 2000 is to the National Pipeline Mapping System (NPMS) in accordance with the NPMS “Standards for Pipeline and Liquefied Natural Gas Operator Submissions.” To obtain a copy of the NPMS Standards, please refer to the NPMS homepage at <http://www.npms.phmsa.dot.gov> or contact the NPMS National Repository at 703-317-3073. A digital data format is preferred, but hard copy submissions are acceptable if they comply with the NPMS Standards. In addition to the NPMS-required attributes, operators must submit the date of abandonment, diameter, method of abandonment, and certification that, to the best of the operator's knowledge, all of the reasonably available information requested was provided and, to the best of the operator's knowledge, the abandonment was completed in accordance with applicable laws. Refer to the NPMS Standards for details in preparing your data for submission. The NPMS Standards also include details of how to submit data. Alternatively, operators may submit reports by mail, fax or e-mail to the Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, PHP-10, 1200 New Jersey Avenue, SE., Washington, DC 20590; fax (202) 366-4566; e-mail InformationResourcesManager@phmsa.dot.gov. The information in the report must contain all reasonably available information related to the facility, including information in the possession of a third party. The report must contain the location, size, date, method of abandonment, and a certification that the facility has been abandoned in accordance with all applicable laws.

During the inspection PHMSA reviewed Neptune's O&M. The O&M failed to adequately detail a process for the abandonment and deactivation of pipelines and facilities. The O&M failed to state how to file an abandonment and deactivation report, who must file the report, and when it must be done. The O&M also failed to include details such as how to submit mapped facilities to the National Pipeline Mapping System and what information must be submitted, such as the location of the facility, size, date, and method of abandonment.

Therefore, Neptune's written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility in accordance with §§ 192.605(b)(1) and 192.727(g)(1). Neptune must revise its procedures to address this deficiency.

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.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

Neptune's written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility in accordance with § 192.605(b)(1). Specifically, Neptune's O&M failed to include sufficient detail regarding a process for determining the maximum allowable operating pressure (MAOP) of a pipeline segment in accordance with § 192.619(a).²

During the inspection PHMSA reviewed the *MAOP Procedures* in the O&M. The O&M failed to include a process for determining the MAOP for a pipeline segment in accordance with § 192.619(a). Specifically, the O&M failed to include processes or requirements for identifying conditions which may limit MAOP. Conditions that may limit MAOP include, but are not limited to:

1. The design pressure of the weakest element in the segment as determined in accordance with Part 192, Subparts C and D.
2. The pressure obtained by test pressures that incorporate safety factors that are commensurate with the established class location in accordance with § 192.619(a)(2)(ii).

Therefore, Neptune's written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility in accordance with §§ 192.605(b)(1) and 192.619(a). Neptune must revise its procedures to address this deficiency.

4. § 192.605 Procedural manual for operations, maintenance, and emergencies.

² § 192.619 Maximum allowable operating pressure: Steel or plastic pipelines.

(a) No person may operate a segment of steel or plastic pipeline at a pressure that exceeds a maximum allowable operating pressure (MAOP) determined under paragraph (c), (d), or (e) of this section, or the lowest of the following:

(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.

(1) **Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.**

Neptune's written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility in accordance with § 192.605(b)(1). Specifically, Item 3 in the *Field Repair Procedure* in the O&M failed to include sufficient details regarding making permanent field repairs of leaks for submerged pipeline facilities pursuant to § 192.717(b)(4).³

During the inspection PHMSA reviewed Neptune's O&M. The O&M guidance for repairs to localized corrosion was limited to a reference to § 192.717 and provided inadequate guidance that stated "an experienced contractor qualified in this type of repair will be utilized." The O&M failed to include a detailed process for making permanent field repairs of leaks on submerged transmission lines in accordance with § 192.717(b)(4).

Therefore, Neptune's written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility in accordance with §§ 192.605(b)(1) and 192.717(b)(4). Neptune must revise its procedures to address this deficiency.

5. § 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.

(1) **Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.**

Neptune's written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility in accordance with § 192.605(b)(1). Specifically, Neptune's O&M failed to include a process for the purging of pipelines in accordance with § 192.629(a).⁴

³ § 192.717 Transmission lines: Permanent field repair of leaks.

Each permanent field repair of a leak on a transmission line must be made by-

(a) ...

(b) Repairing the leak by one of the following methods:

(1) ...

(4) If the leak is on a submerged offshore pipeline or submerged pipeline in inland navigable waters, mechanically apply a full encirclement split sleeve of appropriate design.

⁴ § 192.629 Purging of pipelines.

(a) When a pipeline is being purged of air by use of gas, the gas must be released into one end of the line in a moderately rapid and continuous flow. If gas cannot be supplied in sufficient quantity to prevent the formation of a hazardous mixture of gas and air, a slug of inert gas must be released into the line before the gas.

During the inspection PHMSA reviewed the *Pipeline Purging Procedures* in the O&M. This section failed to include a detailed process that describes how to purge the pipeline when it is removed from and placed back into service. The O&M failed to include details such as:

- Measured levels of gas in air or inert medium mixtures.
- Identifying the location of purge points.
- Use of critical valves to control flow.
- The manner by which turbulent flow would be achieved (e.g., calculated purging velocity to assure turbulent flow).
- Calculated times needed to assure purge.
- Qualifications required for performing purging and operating valves.
- Recordkeeping requirements for all purging data.

Therefore, Neptune's written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility in accordance with §§ 192.605(b)(1) and 192.629(a). Neptune must revise its procedures to address this deficiency.

6. § 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.

(1) ...

(2) *Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part.*

Neptune's written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility in accordance with § 192.605(b)(2). Specifically, Neptune's O&M failed to include sufficient details regarding requirements for the design, installation, operation, and maintenance of cathodic protection systems, to be carried out by, or under the direction of, a person qualified in pipeline corrosion control methods as required by § 192.453.⁵

During the inspection PHMSA reviewed Neptune's O&M. Item 1 in the *Corrosion Control Procedures* in the O&M failed to include a process requiring corrosion control to be carried out by, or under the direction of, qualified personnel, as required by § 192.453. The O&M failed to include a definition or list of criteria defining what a qualified person is, or specifically identifying the position or individuals performing these functions. Additionally, the O&M did not identify what documentation is needed to substantiate qualification(s).

⁵ § 192.453 General.

The corrosion control procedures required by § 192.605(b)(2), including those for the design, installation, operation, and maintenance of cathodic protection systems, must be carried out by, or under the direction of, a person qualified in pipeline corrosion control methods.

Therefore, Neptune's written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility in accordance with §§ 192.605(b)(2) and 192.453. Neptune must revise its procedures to address this deficiency.

7. § 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.

(1) ...

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

Neptune's written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility. Specifically, Neptune's O&M failed to include detailed procedures for making construction records, maps, and operating history available to appropriate operating personnel in accordance with § 192.605(b)(3).

During the inspection PHMSA reviewed Neptune's O&M. Specifically, Item 3 in the *Normal Operating and Maintenance Procedures* in the O&M failed to include detailed procedures for making construction records, maps, and operating history available to appropriate operating personnel. The O&M included limited or no details on what key records are maintained, which key operating personnel have access to the records, and how the records are stored and retrieved. These records may include: pipeline system maps; maximum allowable operating pressures; pipe, valves and fittings data; pressure and temperature histories; maintenance history; emergency shutdown systems drawings; isolation drawings; purging information; operating parameters for equipment; and leak history.

Therefore, Neptune's written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility in accordance with § 192.605(b)(3). Neptune must revise its procedures to address this deficiency.

8. § 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.

(1) ...

(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.

Neptune's written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility. Specifically, Neptune's O&M failed to include a detailed procedure for 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 in accordance with § 192.605(b)(8).

During the inspection PHMSA reviewed Neptune's O&M. Specifically, Item 5 in the *Normal Operating and Maintenance Procedures* in the O&M failed to indicate how the periodic review is conducted and documented. The nature and type of work or procedure reviewed should be documented.

Therefore, Neptune's written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility in accordance with § 192.605(b)(8). Neptune must revise its procedures to address this deficiency.

9. § 192.605 Procedural manual for operations, maintenance, and emergencies.

(a) ...

(c) *Abnormal operation.* For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:

(1) ...

(2) Checking variations from normal operation after abnormal operation has ended at sufficient critical locations in the system to determine continued integrity and safe operation.

(3) Notifying responsible operator personnel when notice of an abnormal operation is received.

Neptune's written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility. Specifically, Neptune's O&M failed to include procedures to provide safety when operating design limits have been exceeded in accordance with § 192.605(c)(2) and (c)(3).

During the inspection PHMSA reviewed Neptune's O&M regarding abnormal operations procedures and noted the following inadequacies:

1. Item 6 in the *Abnormal Operating Procedures* in the O&M failed to include a detailed process for checking variations from normal operation after abnormal operation has ended at sufficient critical locations in the system to determine continued integrity and safe operation. Specifically, the O&M failed to include a detailed process for checking variations from normal operation, including identification of the personnel that will investigate the abnormal operating condition, and if/how follow-up monitoring will be conducted to assure the abnormal condition will not repeat itself in accordance with § 192.605(c)(2).
2. The O&M failed to include a detailed process for notifying responsible operator personnel when notice of an abnormal operation is received in accordance with § 192.605(c)(3). Specifically, Item 7 in the *Abnormal Operating Procedures* in the O&M failed to identify the person-in-charge (PIC) or a process for identifying the PIC. Further, the O&M failed

to include a contact number or identify the specific person or department at Enbridge that must be contacted in the event of an abnormal operation. The O&M failed to indicate how abnormal operations would be reported while there are no LNG deliveries at port.

Therefore, Neptune's written procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility in accordance with § 192.605(c)(2) and (c)(3). Neptune must revise its procedures to address these deficiencies.

10. § 192.605 Procedural manual for operations, maintenance, and emergencies.

(a) ...

(e) *Surveillance, emergency response, and accident investigation.*

The procedures required by §§ 192.613(a), 192.615, and 192.617 must be included in the manual required by paragraph (a) of this section.

Neptune's written procedures for emergency response were inadequate to ensure safe operation of a pipeline facility in accordance with § 192.605(e). Specifically, Neptune's O&M failed to include sufficient details or a process regarding how it would maintain liaison with appropriate fire, police, and other officials to comply with the requirements of § 192.615(c).⁶

During the inspection PHMSA reviewed Neptune's O&M. Specifically, Item 15 in the *Emergency Procedures* in the O&M failed to adequately include a process with detailed steps for establishing and maintaining liaison with appropriate fire, police, and other public officials in accordance with § 192.615(c)(1)-(4).

Furthermore, Item 15 in the *Emergency Procedures* in the O&M stated that "the annual drill requirement will be waived until such time as operations under the MARAD license issued to the Port are fully reactivated. During this waiver period, any changes to the Port including but not limited to operational or physical shall be communicated to the appropriate public officials as soon as practicable." While port operations may be suspended by MARAD, the Neptune pipeline remains active. As such, it is subject to the requirements of Part 192. Therefore, Neptune must comply with the liaison requirements in § 192.615(c) even if port operations are suspended by MARAD.

Therefore, Neptune's written procedures for emergency response were inadequate to ensure safe operation of a pipeline facility in accordance with §§ 192.605(e) and 192.615(c). Neptune must revise its procedures to address these deficiencies.

11. § 192.605 Procedural manual for operations, maintenance, and emergencies.

⁶ § 192.615 Emergency Plans.

(a) ...

(c) Each operator shall establish and maintain liaison with appropriate fire, police, and other public officials to:

- (1) Learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency;
- (2) Acquaint the officials with the operator's ability in responding to a gas pipeline emergency;
- (3) Identify the types of gas pipeline emergencies of which the operator notifies the officials; and
- (4) Plan how the operator and officials can engage in mutual assistance to minimize hazards to life or property.

(a) ...

(e) *Surveillance, emergency response, and accident investigation.*

The procedures required by §§ 192.613(a), 192.615, and 192.617 must be included in the manual required by paragraph (a) of this section.

Neptune's written procedures for emergency response were inadequate to ensure safe operation of a pipeline facility in accordance with § 192.605(e). Specifically, Neptune's O&M failed to include sufficient details regarding the review of employee activities to determine whether procedures were effectively followed in each emergency in accordance with § 192.615(b)(3).⁷

During the inspection PHMSA reviewed Neptune's O&M. Item 14 of the *Emergency Procedures* in the O&M failed to detail the step-by-step review process used by Neptune to determine whether procedures were effectively followed in each emergency.

Therefore, Neptune's written procedures for emergency response were inadequate to ensure safe operation of a pipeline facility in accordance with §§ 192.605(e) and 192.615(b)(3). Neptune must revise its procedures to address this deficiency.

12. § 192.605 Procedural manual for operations, maintenance, and emergencies.

(a) ...

(e) *Surveillance, emergency response, and accident investigation.*

The procedures required by §§ 192.613(a), 192.615, and 192.617 must be included in the manual required by paragraph (a) of this section.

Neptune's written procedures for emergency response were inadequate to ensure safe operation of a pipeline facility in accordance with § 192.605(e). Specifically, Neptune's O&M failed to include a process for training appropriate operating personnel to assure they are knowledgeable of the emergency procedures and verifying the effectiveness of the procedures in accordance with § 192.615(b)(2).⁸

During the inspection PHMSA reviewed Neptune's O&M. Item 13 in the *Emergency Procedures* in the O&M failed to include a process to train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective as required by § 192.615(b)(2).

⁷ § 192.615 Emergency plans.

(a) ...

(b) Each operator shall:

(1) ...

(3) Review employee activities to determine whether the procedures were effectively followed in each emergency.

⁸ § 192.615 Emergency plans.

(a) ...

(b) Each operator shall:

(1) ...

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

Therefore, Neptune's written procedures for emergency response were inadequate to ensure safe operation of a pipeline facility in accordance with §§ 192.605(e) and 192.615(b)(2). Neptune must revise its procedures to address these deficiencies.

13. § 192.613 Continuing surveillance.

(a) Each operator shall have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions.

Neptune's written procedures were inadequate to ensure safe operation of a pipeline facility. Specifically, Neptune's O&M failed to include sufficient details regarding performing continuing surveillance of its facilities in accordance with § 192.613.

During the inspection PHMSA reviewed Neptune's O&M. Specifically, Items 1 and 2 in the *Continuing Surveillance Procedures* in the O&M failed to include a process for performing continuing surveillance of pipeline facilities, and also for reconditioning, phasing out, or reducing the MAOP in a pipeline segment that is determined to be in unsatisfactory condition, but no immediate hazard exists in accordance with § 192.613(b).⁹

Item 1 in the *Continuing Surveillance Procedures* in the O&M failed to include continual processes for identifying threats to the pipeline located on the outer continental shelf. The O&M failed to provide details of what conditions would be monitored or what form or process would be used to record as found conditions from surveillance.

Item 2 in the *Continuing Surveillance Procedures* in the O&M failed to include continual processes for identifying the personnel, reporting requirements, or qualifications if the pipeline is found to be in unsatisfactory condition requiring MAOP to be reduced, or other actions to be taken.

Therefore, Neptune's written procedures were inadequate to ensure safe operation of a pipeline facility in accordance with § 192.613. Neptune must revise its procedures to address these deficiencies.

14. § 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:

(1) Receiving, identifying, and classifying notices of events which require immediate response by the operator.

⁹ § 192.613 Continuing surveillance.

(a) ...

(b) If a segment of pipeline is determined to be in unsatisfactory condition but no immediate hazard exists, the operator shall initiate a program to recondition or phase out the segment involved, or, if the segment cannot be reconditioned or phased out, reduce the maximum allowable operating pressure in accordance with § 192.619 (a) and (b).

- (2) ...
- (3) ...
- (4) **The availability of personnel, equipment, tools, and materials, as needed at the scene of an emergency.**
- (5) ...
- (6) **Emergency shutdown and pressure reduction in any section of the operator's pipeline system necessary to minimize hazards to life or property.**
- (7) ...
- (8) **Notifying appropriate fire, police, and other public officials of gas pipeline emergencies and coordinating with them both planned responses and actual responses during an emergency.**

Neptune's written procedures for minimizing the hazards resulting from a gas pipeline emergency were inadequate to ensure safe operation of a pipeline facility. Specifically, Neptune's O&M failed to include sufficient details regarding various topics required under § 192.615(a)(1), (a)(4), (a)(6), and (a)(8).

PHMSA reviewed the O&M and discovered the following inadequacies:

1. The O&M failed to include a process for receiving, identifying, and classifying notices of events which need immediate response as required by § 192.615(a)(1). Specifically, Item 2 in the *Emergency Procedures* in the O&M did not include an emergency contact phone number or other means by which the operator receives notices of events which need immediate response. The O&M failed to include a process for identifying who receives initial notifications and how notifications are documented and communicated to those responsible for identifying and classifying events that require immediate response.
2. The O&M failed to include a process for ensuring the availability of personnel, equipment, tools, and materials as needed at the scene of an emergency as required by § 192.615(a)(4). Specifically, Item 5 in the *Emergency Procedures* in the O&M failed to include a process for ensuring the availability of personnel, equipment, tools, and materials as needed at the scene of an emergency "in the event when there is no [shuttle regasification vessel] at the Port and a [support vessel (SV)] is unavailable." The O&M failed to identify specifically where the backup vessel is located, the operator of the backup vessel, or how it may be reached during an emergency. Furthermore, the O&M failed to identify the backup vessel personnel and their qualifications to respond to a pipeline emergency. The O&M also failed to identify the equipment, tools and materials that would be deployed in the event of a pipeline emergency.
3. The O&M failed to include a process for the emergency shutdown or pressure reduction in any section of pipeline system necessary to minimize the hazards to life of property as required by § 192.615(a)(6). Specifically, Item 7 in the *Emergency Procedures* in the O&M failed to identify or describe each emergency shut down system that controls gas flow to the pipeline. There was no identification of safety-related conditions that may require emergency shutdown or pressure reduction in any section of pipeline system necessary to minimize the hazards to life of property. The O&M failed to identify the circumstances that would require a shutdown. In addition, the O&M failed to identify

adequate details of the pipeline shutdown procedure or where the pipeline shutdown procedure is located or how it is activated.

4. The O&M failed to include a process for notifying appropriate officials of gas pipeline emergencies and coordinating with them both planned responses and actual responses during an emergency as required by § 192.615(a)(8). Specifically, Item 9 in the *Emergency Procedures* in the O&M failed to include a process for a planned response.

Therefore, Neptune's written procedures for minimizing the hazards resulting from a gas pipeline emergency were inadequate to ensure safe operation of a pipeline facility in accordance with § 192.615(a)(1), (a)(4), (a)(6), and (a)(8). Neptune must revise its procedures to address these deficiencies.

15. § 192.805 Qualification program.

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

- (a) Identify covered tasks;**

Neptune's written operator qualification program was inadequate to ensure safe operation of a pipeline facility. Specifically, Neptune's Northeast Gas Association Operator Qualification Compliance Program, Rev. F, dated September 3, 2008 (OQ Plan) failed to include all covered tasks as required by § 192.805(a).

During the inspection Neptune provided a presentation, *Operator Qualification Neptune LNG, LLC, dated May 2021*). Neptune indicated that this presentation, which outlines covered tasks, procedures, and documents that Neptune actively uses, is primarily used as Neptune's OQ program, rather than the OQ Plan. Neither the presentation nor any guidance for its use were included in the OQ Plan. In addition, Appendix B of the OQ Plan, *List of Covered Tasks with Analysis* failed to identify covered task # 5, Cathodic Protections, which is listed on the first slide of the presentation. Additionally, there are covered tasks identified in Appendix B of the OQ Plan that are not covered in the presentation.

Therefore, Neptune's written operator qualification program was inadequate to ensure safe operation of a pipeline facility. Neptune must revise its OQ Plan to include all details of the process by which its personnel are trained and ensure that the covered tasks identified in the presentation are consistent with, and included in, the OQ Plan.

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 Enforcement Proceedings.

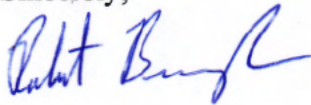
Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. § 552(b), 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 30 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 Neptune LNG, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. In correspondence concerning this matter, please refer to **CPF 1-2022-048-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Sincerely,



Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings