



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

March 16, 2023

Mr. Jeff Householder
President and Chief Executive Officer
Eastern Shore Natural Gas Co
500 Energy Lane, Suite 200
Dover, Delaware 19901

CPF 1-2023-024-NOA

Dear Mr. Householder:

From September 26 to September 29, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Eastern Shore Natural Gas Co's (Eastern Shore) procedures for Control Room Management in Dover, DE.

As a result of the inspection, PHMSA has identified the apparent inadequacy found within Eastern Shore's plans or procedures. The item inspected and the inadequacy is described below:

1. **49 C.F.R. § 192.631 Control Room Management**
 - (a) ...
 - (e) ***Alarm management.*** Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:
 - (1) ...
 - (5) **Monitor the content and volume of general activity being directed to and required of each controller at least once each calendar year, but at intervals not to exceed 15 months, that will assure controllers have sufficient time to analyze and react to incoming alarms; and**

Eastern Shore's written control room management procedures were inadequate. Specifically,

Eastern Shore's *Control Room Management Plan*, dated 05-14-2014 (CRM Plan) and its *SCADA Alarm Management Plan*, dated 06-08-2021 (Alarm Plan) lacked sufficient details pursuant to compliance with § 192.631(e)(5).

During the inspection, the PHMSA inspector reviewed Eastern Shore's CRM Plan and Alarm Plan. The CRM Plan stated in part:

"(5) Monitor the content and volume of general activity (alarms).

The content and volume of alarms received in Gas Control shall be reviewed by the Gas Control Manager and/or System Planning and Process Controls Manager at least once each calendar year, but at intervals not to exceed 15 months."

While the CRM Plan reflects the language found in § 192.631(e)(5), it did not include details on how Eastern Shore will complete and document this required assessment. The Alarm Plan also referenced this review but did not provide additional details on how this task will be completed and documented.

Therefore, Eastern Shore's written control room management procedures were inadequate pursuant to § 192.631(e)(5). Eastern Shore must revise its procedures to address this deficiency.

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.

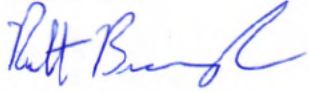
Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. § 552(b), 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 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 Eastern Shore Natural Gas Co 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. In correspondence concerning this matter, please refer to **CPF 1-2023-024-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Burrough", is positioned below the word "Sincerely,".

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

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings