



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

VIA EMAIL TO: kraemerr@natfuel.com

February 11, 2026

Mr. Ronald Kraemer
President and Chief Executive Officer
National Fuel Gas Supply Corporation
6363 Main Street
Williamsville, New York 14221

CPF 1-2026-020-NOA

Dear Mr. Kraemer:

From August 26 through August 28, 2025, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), conducted an inspection of National Fuel Gas Supply Corporation's (NFGS) underground natural gas storage facility (UNGSF) procedures for the Bennington Storage Field in Wyoming County, New York.

As a result of the inspection, PHMSA has identified an apparent inadequacy found within NFGS's plans or procedures. The alleged inadequacy and proposed revision is described below:

1. **§ 192.12 - Underground natural gas storage facilities.**
Underground natural gas storage facilities (UNGSFs), as defined in § 192.3, are not subject to any requirements of this part aside from this section.
 - (a) ...
 - (b) **Depleted hydrocarbon and aquifer reservoir UNGSFs.**
 - (1) ...
 - (2) **Each UNGSF that uses a depleted hydrocarbon reservoir or an aquifer reservoir for natural gas storage and was constructed on or before July 18, 2017, must meet the provisions of API RP 1171 (incorporated by reference, see § 192.7), sections 8, 9, 10, and 11, and paragraph (c) of this section, by January 18, 2018, and must meet all provisions of paragraph (d) of this section by March 13, 2021.**

NFGS's written procedures for conducting operations, maintenance, and emergency preparedness and response activities were inadequate to assure safe operation of a pipeline facility in accordance with section 192.12(b)(2). Specifically, NFGS failed to establish adequate maintenance procedures

for isolation valves in accordance with section 9.3.2 in API RP 1171.

Section 9.3.2 states in part that “[t]he operator shall test the operation of the master valve and wellhead pipeline isolation valve at least annually for proper function and ability to isolate the well. The valves shall be maintained, repaired, or replaced in accordance with the operator’s valve maintenance program for isolation valves.”

During the inspection, PHMSA reviewed NFGS’s procedures. According to NFGS’s Valve Isolation Testing procedure within its *Storage Integrity Management Plan, V.-2025.3* (7/29/2025) a valve would be considered passing the test if the leak-by rate was at 75% or under. If a valve had a leak-by rate that exceeded the 75% threshold, then the valve would require more investigation. NFGS stated the threshold was obtained after comparing well intervention data to valve isolation testing results and that this threshold would allow for well entry work.

Records from the 2024 isolation tests for Wells 1550, 1533, 1462, and 1456 reveal that NFGS’s 75% threshold fails to ensure well isolation. Despite pressure changes exceeding 20% in these wells, NFGS marked the tests as successful. However, these pressure fluctuations indicate that the valves could not hold pressure and allowed gas to bypass the closure. A test that permits a pressure change of up to 75% is not an isolation test; it is a leak allowance that obscures inadequate valves. Section 9.3.2 explicitly requires valves to demonstrate the ability to isolate the well. Because NFGS’s threshold permits continued gas flow, the Valve Isolation Testing is inadequate.

NFGS’s procedure failed to include a sufficiently detailed valve maintenance program, as it failed to establish specific written procedures for the effective repair and replacement of valves or the required documentation standards for these activities.

Therefore, NFGS’s written procedures required by section 192.12(c) were inadequate to assure safe operation of a pipeline facility. PHMSA proposes that NFGS revise its procedures to address the deficiency discussed above.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 CFR § 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 49 CFR § 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 CFR § 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 NFGS maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to the Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety. In correspondence concerning this matter, please refer to **CPF 1-2026-020-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

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