

NOTICE OF AMENDMENT

**VIA ELECTRONIC MAIL TO: crader@enmarkenergy.com;
jtharpe@enmarkenergy.com**

July 28, 2023

Connell Rader
President, Enmark Energy, Inc.
104 First Choice Drive
Madison, MS 39110

CPF 2-2023-012-NOA

Dear Mr. Rader:

From November 1 to November 4, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Enmark Energy (Enmark) procedures for Maintenance, Operations, and Integrity Management in Madison, MS.

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

- 1. § 195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a) . . .**
 - (c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**
 - (1) . . .**

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

Enmark failed to meet the regulation because it did not have in its manual of written procedures that supervisors maintain a thorough knowledge of the corrosion control procedures, as required by §195.555 (Subpart H).

During the inspection, Enmark did not have in its procedural manual for operations, maintenance, and emergencies, or its Operator Qualification Program, a means to require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures established under §195.402(c)(3) for which they are responsible for insuring compliance.

2. § 195.452(f) What are the elements of an integrity management program?

(a) . . .

(f) An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

(1) . . .

(4) Criteria for remedial actions to address integrity issues raised by the assessment methods and information analysis (see paragraph (h) of this section);

Enmark failed to meet the regulation because its written integrity management program did not include all criteria for remedial actions to address integrity issues raised by the assessment methods and information analysis as described in 195.452(h). Specifically, Enmark did not include in its written integrity management program a process to notify PHMSA if they cannot meet the schedule for evaluation and remediation required and cannot provide safety through a temporary reduction in operating pressure, or when a pressure reduction exceeds 365 days.

Enmark's Integrity Management Program (IMP), dated December 2021, prescribed actions required to carry out its integrity management program. Section 7, titled "Pipeline Repair Strategy," stated "If indicated repair schedule requirements cannot be met, Enmark will provide documentation that schedule delays are justified and will not jeopardize the safety of the public or protection of the environment. Actual repair measures are described in detail Enmark's O&M Manual." Enmark did not specify a notification to PHMSA if it cannot meet the remediation schedule.

Section 9 of Enmark's IMP manual, titled "Procedures for identification of preventative and mitigation measures," stated "This pressure reduction would increase safety and operational reliability but would reduce pipeline throughput volumes. Pressure reduction determinations would be based upon calculations specified in ASME B31.4, or other appropriate and defensible

basis for determining safe operating pressure. Any pressure reduction would be limited to less than 365 days, in which time Enmark would accomplish any repairs or solve any operational problems associated with the pipeline." This statement limits any pressure reduction duration, but does not require a notification to PHMSA if this were to exceed 365 days.

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 60 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 that Enmark Energy, Inc. maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to James A. Urisko, Director, Southern Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 2-2023-012-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

James A. Urisko
Director, Southern Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

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

cc: *Jeff Tharpe, Operations Manager - jtharpe@enmarkenergy.com*