



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

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12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 10, 2007

Mr. Steve Miller
Assistant Vice President
Energy West Development
2320 Mountain View Drive
Cody, WY 82414

CPF 5-2007-0026M

Dear Mr. Miller:

On May 29, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Energy West Development (EWD) procedures for integrity management in Cody, Wyoming.

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

- 1. §192.911 What are the elements of an integrity management program?**
An operator's initial integrity management program begins with a framework (see § 192.907) and evolves into a more detailed and comprehensive integrity management program, as information is gained and incorporated into the program. An operator must make continual improvements to its program. The initial program framework and subsequent program must, at minimum, contain the following elements. (When indicated, refer to ASME/ANSI B31.8S (incorporated by reference, see § 192.7) for more detailed information on the listed element.)

(a) An identification of all high consequence areas, in accordance with § 192.905.

The following procedures were inadequate for identification of high consequence areas.

- **Item 1.A: §192.905(a)**

Section 1 of Energy West Development's (EWD) integrity management program (IMP) refers to §192.5 for definitions of Class 3 and 4 areas. These definitions must direct the reader to other company manuals that determine class locations, or the IMP procedure itself must fully describe how a Class 3 and Class 4 area are identified.

- **Item 1.B: §192.905(a)**

Section 1 of EWD's IMP which describes the process for determining if a potential impact circle contains an identified site, refers to Appendix E of Part 192 for drawings depicting the method. EWD's procedure cannot reference Part 192 for descriptions of methods to be used for determining high consequence areas (HCAs).

- **Item 1.C: §192.905(a)**

Under Section 1, Identification of HCAs the First Step, paragraph 3, EWD refers to 49 CFR 192 and not their IMP for definitions of HCA determination methods.

- **Item 1.D: §192.905(a)**

Under Section 1, Identification of HCAs the First Step, paragraph 4, EWD refers to 49 CFR 192 and not their IMP for definitions of identified sites.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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). 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 a Final Order.

If, after opportunity for a hearing, 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. § 190.237). 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.

In correspondence concerning this matter, please refer to **CPF 5-2007-0026M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Hoidal", written over a horizontal line.

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 G Davis # 118733

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