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RE CPF 5-2018-0012M

Chris,

Upon review of BUECI's Natural Gas System Procedural Manual, Operations, Maintenance, and Emergencies dated November 2017, I have identified what I believe is language that represents addressing the concerns brought forth in the PHMSA Notice of Amendment CPG-5-2018-0012M dated (reissued) January 9, 2019.

No. 1: Page 63 of 125 under Section 10, Corrosion Control, in 10.7 (5) & (6), External Corrosion Control: Monitoring.

10.7 (5) states: Whenever BUECI has knowledge that any portion of a buried pipeline is exposed, examine the exposed portion for evidence of external corrosion if the pipe is bare or if the coating is deteriorated.

10.7 (6) stated: If external corrosion requiring remedial action under 49 CFR 192.483-192.489 is found, then investigate circumferentially and longitudinally beyond the exposed portion (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the exposed portion.

Section 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.

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

192.459 requires that : "Whenever an operator has knowledge that any portion of a buried pipeline is exposed, the exposed portion must be examined for evidence of external corrosion if the

pipe is bare, or if the coating is deteriorated. If external corrosion requiring remedial action under 192.483 through 192.489 is found, the operator shall investigate circumferentially and longitudinally beyond the exposed portion (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in vicinity of the exposed portion.” Written procedures, as required by 192.605(b)(2) to address the requirements of 192.459, were not in BUECI’s Operations and Maintenance (O&M) procedures manual.

No. 2: Page 22 of 125 under Section 3, Records Maps, and Operating History, 3.2 Procedures.

3.2 Procedures states: Construction records, maps and operational history records are available to the appropriate operating personnel, as needed. Records maintained include, but are not limited to, the following:

- : Assessment test date (e.g., hydrostatic test reports)
- : Maps
- : Operational date
- : Inspection reports
- : Repairs, relocating, additions, and deletions (including fabrication and installment drawings and specifications)
- : Training records
- : MAOP

Section 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.

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

BUECI’s procedures did not include requirements for making construction records, maps and operating history available to appropriate personnel, as required by 192.605(b)(3).

No. 3: Page 15 & 16 of 125, 2.4. Incident Reports & 2.4.2. Incident Reporting to PHMSA, & 2.4.4 Supplemental Report to PHMSA.

Under 2.4. Incident Reports, in 2.4.2. Incident Reporting to PHMSA it states:

The GM, or designee, reports the following to PHMSA as soon as practical, but no later than 30 days after discovery of a reportable incident.

- 1) Report the incident on *Form PHMSA F 7100.1-Incident Report* within 30 days if it meets the following criteria:
 - a) Caused a death
 - b) Caused either a fire or explosion not intentionally set by BUECI.
 - c) Caused bodily harm to any person resulting in loss of consciousness, necessity to carry a person from the scene, necessity for medical treatment, or disability that prevents personnel from performing their duties the day following the incident.

- d) Caused total damage to the property of BUECI or others, or both, exceeding \$50,000.
- 2) Access *Form PHMSA F7100.1* and instructions at <http://www.phmsa.dot.gov/pipeline/library/forms>.
- 3) File the completed *Form PHMSA F7100.1* electronically with PHMSA at <http://opsweb.phmsa.dot.gov>.

Under 2.4 Incident Reports, in 2.4.4., Supplemental Report to PHMSA it states:
If, after the submittal of the original *Form PHMSA F 7100.1* additional information becomes available, then the GM, or designee, will make a supplemental report, as soon as practical, and submit it to PHMSA as well as to the appropriate regulatory bodies. The GM, or designee, will clearly reference the original incident report by the date and subject.

Section 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.

(4) Gathering of data needed for reporting incidents under Part 191 of this chapter in a timely and effective manner.

191.9(a) requires that, "Except as provided in paragraph (c) of this section, each operator of a distribution pipeline system shall submit Department of Transportation Form RSPA F 7100.1 as soon as practical but not more than 30 days after detection of an incident required to be reported under 191.5" BUECI did not have a written process for "gathering of data needed for reporting incidents under Part 191 of this chapter in a timely and effective manner", and specifically, there was no written process for gathering data required for reporting incidents in accordance with 191.9(a), as required by 192.605(b)(4). Likewise, 191.9(b) requires that, "When additional relevant information is obtained after the report is submitted under paragraph (a) of this section, the operator shall make supplementary reports as deemed necessary with a clear reference by date and subject to the original report." BUECI did not have a written process for "gathering of data needed for reporting incidents under Part 191 of this chapter in a timely and effective manner", and specifically there was not written process for gathering data required for supplemental reporting of incidents in accordance with 191.9(b), as required by 192.605(b)(4).

No. 4: Page 13 of 125 under 1. Plan Components and 1.7. Periodic Review of Work Done by Personnel.

Under 1. Plan Components, and in 1.7. Periodic Review of Work Done by Personnel, it states:

: Periodically, Operations Superintendent and Operations Assistant review the work done by its personnel to determine the effectiveness and adequacy of the procedures used in normal operations and maintenance as follows:

- 1) Review the following work done by personnel:
 - a) Annual certifications of HDPE fusion procedures

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- b) Periodic review of Operator Qualifications (OQ) as specified in the *OQ Plan*
- c) Review of daily work and paperwork
- 2) Record this review as follows:
 - a) Update OQ records provided in Appendix E
 - b) Daily paperwork
- 3) Modify procedures when deficiencies are found.

Section 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.

(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.

BUECI's O&M procedures did not include requirements for periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operations and maintenance or for modifying the procedures when deficiencies are found, as required by 192.605(b)(8).

No. 5: 2.6.3., Safety-Related Condition Report Filings Page 20 of 125, under 2. Reporting Requirements and Procedures , in, it states:

In accordance to 49 CFR 1191.25, *BUECI GM, or designee*, files each report of a safety-related condition within 5 working days (not including Saturday, Sunday, or federal holidays) after the day a BUECI Representative first determines that the condition exists, but not later than 10 working days after the discovery, using the following procedures:

- 1) Report separate conditions in a single report if they are closely related.
- 2) Transmit reports by electronic mail to InformationResourcesManager@dot.gov or by facsimile at (202) 366-7128.
- 3) Ensure that the report is titled *Safety-Related Condition Report* and provides the following information:
 - a) BUECI's name and principle address
 - b) Date of report
 - c) Name, job title, and business telephone number of person submitting the report
 - d) Name, job title, and business telephone number of person who determined that the condition exists.
 - e) Date condition was discovered and date condition was first determined to exist.
 - f) Location of condition, with references to the state (and town, city, or county), and as appropriate, nearest street address, survey station number, milepost, landmark, or name of pipeline.
 - g) Description of the conditions, including circumstances leading to its discovery, and significant effects of the condition on safety, and the name of the commodity transported or stored.

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- h) The corrective action taken (including reduction of pressure or shutdown) before the report is submitted and the planned follow-up or future corrective action, including the anticipated schedule for starting the and concluding such action.

I agree that the *“instructions enabling personnel who perform operations and maintenance activities to recognize conditions that potentially may be safety related conditions that are subject to the reporting requirements of 191.23 of this subchapter, that this language above for Safety-Related Condition Report Filings are intended for the BUECI GM, or designee.”* However, beginning on page 114 of 125, and continuing on 115 of 125 in Appendix E. OQ Pipeline Personnel, in 4.2 AOC Proficiency, it states:

- 1) **All individuals** qualified to perform covered tasks must be able to demonstrate to the qualifier that AOCs may be associated with the covered tasks, as well as what procedures the **individual** follows to respond to an AOC. BUECI categorizes AOCs as to the condition level for each covered task using the following definitions:
 - a) Category A, Hazard: A condition that poses an immediate or imminent hazard to people, property, or the environment that requires immediate action to correct or emergency response procedures to be implemented:
 - : Unplanned, uncontrolled escape of gas
 - : Uncontrolled ignition of gas
 - : Relief valve blowing
 - : Class one leak
 - : No gas
 - : Pressure exceeds operating limits of the system
 - : Pressure is below normal operating limits of the system
 - : Improper odorization
 - : Component failure
 - : Exposed pipe
 - : Main/service too shallow
 - : Ground subsidence or movement
 - : Hit valve or regulator station
 - : High/low cathodic protection readings
 - b) Category B, Potential Hazard; A condition, which if not corrected for an extended period, could develop into a hazard and requires corrective action at the time of discovery or documented that corrective action will be taken in a timely manner:
 - : Unplanned, uncontrolled escape of gas
 - : Damaged facilities
 - : Component failure
 - : Regulator too close to source of ignition
 - : Exposed pipe
 - : Main/service too shallow
 - : Meter/riser enclosed or unventilated
 - : Main/service under structure
 - : Riser/meter in wall

- : Meter in contact with ground
 - : Stop/valve buried or not accessible
 - : Facilities under water
 - : Ground Subsidence or movement
 - : Inadequate support, excessive bending or loading on facilities
 - : Hit regulator station
 - : Incorrectly/unmapped facility
 - : Facility susceptible to damage
 - : Unprotected steel pipe
 - : Missing bridge pipe
- c) Category C, Non-Hazardous Maintenance: The process of making repairs or adjustments to prevent conditions from developing into a hazardous or a potential hazard:
- : Planned, controlled escape of gas
 - : Damaged facilities
 - : Main/service too shallow
 - : Meter in contact with the ground
 - : Inadequate support
 - : Bent meter/regulator guards
 - : Missing locks
 - : Broke index dial
 - : Riser too high or too low
 - : No valve lid

BUECI documents the categories on the *Covered Task Worksheet-Document of Determination* for each covered task. In the event additional AOCs are determined to exist, BUECI incorporates them in the current list under the appropriate category and communicate the change to employees by means of the procedures in Section 7 of this appendix.

I believe we may not have addressed this Amendment that addresses the language that ties instructions to personnel to recognize safety related conditions in the existing language in the 'Safety Related Reports filings section'. However, I do believe we do instruct employees about safety related conditions in the Abnormal Operating Conditions in the OQ Pipeline Personnel in Appendix E, in the above-mentioned pages. We may need to revisit this. Perhaps referencing the Appendix E. OQ Pipeline Personnel 4.2 AOC Proficiency.

Section 192.605 Procedural manual for operations, maintenance, and emergencies.

(a)

(b) *Safety-related condition reports.* The manual required by paragraph (a) of this section must include instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of 191.23 of this subchapter.

BUECI did not have a written process of "instructions enabling personnel who perform operation and maintenance .

No. 6: Page 34 of 125, under 6. Abnormal Operations, in 6.4.7. Evaluation of Response to Abnormal Operations, it states:

: As part of the review process, the GM, or designee, reviews responses of Operations personnel to abnormal operations that have occurred since the previous review, identifies areas where response procedures can be improved, and implements an action plan for incorporating improvements.

Section 192.615 Emergency plan

(a)....

(b) Each operator shall:

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

BUECI O&M procedures did not include reviewing of employee activities to determine whether the procedures were effectively followed in each emergency, as required by 192.615(b)(3). Operator personnel said that tailgate meetings and discussions concerning response were held at the operations shop after emergencies. However, these were not documented.

This concludes our response to matters raised by PHMSA. In response to your request (not mandate) for documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures), indicated in the Notice of Amendment dated December 6, 2018, reissued January 9, 2019, the only cost at present was the cost to prepare this letter. The issues raised were addressed in 2017, nearly two years prior to receipt of your letter, when BUECI engaged a firm to assist in amending the safety manual at a cost of \$27,492.50.

Your letter dated January 9, 2019, listed an enclosure "Response Options for Pipeline Operators in Compliance Proceedings". No such document was enclosed or attached. We respectfully request that it be made available to us.

The letter from PHMSA reissued January 9, 2019 was copied to the North Slope Borough's attorney Kevin Fisher. To clarify, I am BUECI's principal contact and have included my contact information below. BUECI should be contacted directly as the operator OPID No. 1134 in Barrow, Alaska. We would expect the NSB would not be copied on future letters from PHMSA regarding our OPID.

Respectfully,



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Encl *BUECI Natural Gas System Procedural Manual Operations, Maintenance, and Emergencies – November 2017.*