NOTICE OF AMENDMENT

VIA E-MAIL TO MR. DANIEL BRITTON

November 3, 2022

Mr. Daniel Britton
General Manager
Interior Gas Utility
2525 Phillips Field Road
Fairbanks, AK 99709

CPF 5-2022-016-NOA

Dear Mr. Britton:

From August 2 through 6, 2021, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Interior Gas Utility's (IGU) procedures for Maintenance & Operations, Emergency Operations, Reporting, Design & Construction and Distribution Integrity Management in Fairbanks, Alaska.

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

1. § 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.
(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

IGU Standard Operating Procedures (SOP) were inadequate because they did not include processes to operate, maintain and repair the pipeline as required by § 192.605. The following inadequacies were discovered:

1. SOP S1-7125 Relief, ESD, Regulator and Control Systems Maintenance stated under Pressure Safety Relief Valve Test Procedure section 2 that, "[d]istribution header pressure relief valve will be tested annually to have enough capacity, be operable and pressure to not exceed MAOP of 60 psi." The procedure listed under number three directed testing the relief valve on a testing bench, disconnected from the system. The procedure failed to require testing the capacity of the Pressure Safety Relief Valve in-place or by review and calculations as required by § 192.743(a).
2. The SOPs for Sites 3 and 4 (SOP S3-7125 LNG Site #3 Relief, ESD, Regulator and Control System Maintenance and SOP S4-7125 Relief, ESD, Regulator and Control System Maintenance) required annual testing of the distribution header pressure relief valve. The SOPs were inadequate because Sites 3 and 4 did not have pressure relief valves at the distribution headers. It is notable that the procedures requiring the distribution header pressure relief valve to "be tested annually to have enough capacity, be operable and pressure to not exceed MAOP of 60 psi" was identical to the SOP for Site 1, though Site 1 had a Pressure Safety Relief Valve and Sites 3 and 4 did not.
3. SOP S3-7125 LNG Site #3 Relief, ESD, Regulator and Control System Maintenance stated on page 3 as follows: "Regulators that must be inspected and tested are: a. Distribution/Meter Run regulator." Site 3 has four regulators connected to the distribution header: PCV 400a, PCV 400b, PCV 401a, and PCV 401b. The procedure did not specify that each of these regulators must be included in the inspection.
4. The procedures did not require equipment used in joining plastic pipe to be maintained in accordance with the manufacturer's recommended practices or with written procedures that had been proven by test and experience to produce acceptable joints, as required by § 192.756.
5. The procedures did not state MAOP limits as described in § 192.619. SOP D-2115 Maximum Allowable Operating Pressure did not require that the MAOP be the lowest of the Design Pressure determined by the HDPE material characteristics and division of 1.5 of the test pressure. The procedures also failed to state that the amount of allowable build-up is limited to 10% above MAOP.

IGU must amend its procedures to (1) require testing the capacity of the Pressure Safety Relief Valve in-place or by review and calculations as required by § 192.743(a); (2) appropriately account for differing equipment in site specific documents; (3) specify that all regulators must be included in the inspection; (4) require equipment used in joining plastic pipe to be maintained in accordance with the manufacturer's recommended practices or with written procedures that had been proven by test and experience to produce acceptable joints as required by § 192.756; (5) include requirements for telemetering readings; and (6) require that the MAOP be the lowest of the Design Pressure determined by the HDPE material characteristics and division of 1.5 of the test pressure, and state that the amount of allowable build-up is limited to 10% above MAOP.

2. § 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.
(1) . . .
(2) Controlling corrosion in accordance with the operations and maintenance requirements of subpart I of this part.

IGU SOPs were inadequate to meet the requirements of § 192.605 (b)(2). S1-7205 Corrosion Control, S3-7205 LNG Site #3 Corrosion Control, and S4-7205 Corrosion Control included procedures to inspect distribution headers at the LNG storage Sites 1, 3, and 4, respectively. However, IGU did not have a procedure that outlined atmospheric corrosion inspections of aboveground distribution piping outside of the LNG storage sites, such as at customer meter sets. Nor did the operator have a tracking process that ensured each meter set was inspected at the required intervals. IGU must amend its procedures to include a procedure outlining atmospheric corrosion inspections of aboveground distribution piping outside of the LNG storage sites, as well as a tracking process to ensure that each meter set is inspected at required intervals.

3. § 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.
(1) . . .
(3) Making construction records, maps, and operating history available to appropriate operating personnel.

IGU SOPs failed to meet the requirements of § 192.605 (b)(3). IGU's procedures did not include a requirement to make construction records, maps, and operating history available to appropriate operating personnel. IGU must amend its SOPs to include a procedure for making construction records, maps, and operating history available to appropriate operating personnel.

4. § 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.
(1) . . . .
(4) Gathering of data needed for reporting incidents under Part 191 of this chapter in a timely and effective manner.

IGU SOPs were inadequate to meet the requirements of § 192.605(b)(4) and § 191.9(a). SOP G-1005 Reporting did not require preparation and filing of an incident report as soon as practicable,

but no later than 30 days after discovery of a reportable incident for their distribution system. IGU must amend its procedures to comply with the requirements of § 191.9(a).

5. § 192.614 Damage prevention program.

(a) Except as provided in paragraphs (d) and (e) of this section, each operator of a buried pipeline must carry out, in accordance with this section, a written program to prevent damage to that pipeline from excavation activities. For the purposes of this section, the term "excavation activities" includes excavation, blasting, boring, tunneling, backfilling, the removal of aboveground structures by either explosive or mechanical means, and other earthmoving operations.

IGU SOPs were inadequate to meet the requirements of § 192.614. Specifically, SOP D-1405 Line Locating Policy and Procedures did not include detail describing how the Excavator Mailing List, which is required by § 192.614(c)(1), is compiled. Further, there was no clause in the procedure requiring IGU to conduct an inspection of its system if personnel suspected that excavation activities had damaged a line, which is required by § 192.614(c)(6). IGU must amend its procedures to describe how the Excavator Mailing List is compiled and require IGU to conduct an inspection of its system if damage to a line is suspected.

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 90 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 Interior Gas Utility maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Dustin Hubbard, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2022-016-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Dustin Hubbard
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry
PHP-500 G. St. Pierre (#21-217219)
Mark Rockwell, Interior Gas Utility (via email)
Brendan Kern, Engineer, Interior Gas Utility (via email)