



Eni US Operating Co. Inc.
3800 Centerpoint Drive, Suite 300
Anchorage, AK 99503

Response to Proposed Compliance Order and Notice of Amendments

VIA E-MAIL TO MR. DUSTIN B HUBBARD

September 20, 2022

Mr. Dustin Hubbard
Director, Western Regional, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Mr. Hubbard and PHMSA associates, this document is in response to the notice of probable violation and proposed compliance order Eni received on September 7, 2022. First off Eni Petroleum would like to thank PHMSA Inspectors Jason Dunphy and Diana Fehling for their fairness, professionalism, and willingness to teach. In September 20 of 2021 we received a Post-Inspection Written Preliminary Findings notification from Mr. Dunphy. Every item was reviewed and taken action on as appropriate to bring our facility into Regulatory Compliance. All of these new processes were added to our Control Room Management Program that was revised, approved, and implemented June 1 2022.

Section 1 of this document covers the Items 1, 2 & 6 which are applicable to the proposed compliance order. This includes in succession, reference to the Notice of Violation item, a summary of Eni's response, and supporting documentation proving the tasks related to the specific items had been performed. Section 2 of this document consists of references to Notice of Violation items that were classified as warnings with a description of how Eni petroleum resolved the issues and direct transcripts from our June 2022 Control Room Management Program update. Section 3 of this document consists of references to Notice Violation items that were issued with a description of how Eni petroleum resolved the deficiency and direct transcripts from our June 2022 Control Room Management Program update.

Thank you for taking the time to review and consider our response to the audit findings. Please reply with any questions or need for additional documentation or action.

Sincerely,

Larry Burgess SEQ Manager-Alaska

Section 1

Eni petroleum's Response to the PHMSA Proposed Compliance Order

VIOLATION 1

Description of Violation

§ 195.446 - Control room management.

(c) Provide adequate information. Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following: (4) Test any backup SCADA systems at least once each calendar year, but at intervals not to exceed 15 months;

Describe the operator's conduct that violated the regulation:

ENI failed to conduct the required testing of backup SCADA systems at least once each calendar year, but at intervals not to exceed 15 months.

Description of the evidence:

Eni Control Room Management Program, Section 4.7 Back-up SCADA System, did not require backup SCADA systems to be tested. Eni maintains 5 HMI workstations: station 1 operates plant and pipeline; station 2 operates the plant; stations 3 & 8 are read only informational for plant personnel; station 5 (ProPlus) is for SCADA/DCS development, accessible only by SCADA instrumentation staff. Each HMI is a fully functional, independent platform capable of operating the plant and pipeline, if user login credentials allow. In the configuration as viewed during the inspection, Eni Stations 2, 3 and 8 were backup (redundant) control consoles that required testing, and Eni did not produce any records to demonstrate compliance with this requirement.

Eni's Response to Proposed Violation 1

See addition to our CRM Manual for instructions to perform this task. This procedure change was not approved before the Scheduled PM of SDV 12021 so the task was performed this year by utilizing test equipment on PFP05 PIT-12011.

4.8 Redundant Monitor Testing (195.446 (c)(4))

There are five workstations in the OPP Control Room that are capable of controlling the regulated Pipelines. Station 1 is normally operated by the Pipeline Controller. Station 2 is

utilized to control the pipelines periodically as described section 3.2 of this document. Workstation 3 and 8 will be tested every 12 months not to exceed 15 months in conjunction with the following mainline automated Valve PM procedure. KPP01 Shutdown Valve, Semi-Annual DOT PM Procedure 00421KPDPMO01983 found in EDAM. Records are kept by the ENI Compliance Coordinator on the secured N:\drive.

PROPOSED VIOLATION 2

Description of Violation

§ 195.446 - Control room management.

(a) ...

(e) Alarm management. Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operators plan must include provisions to:

(1) ...

(3) Verify the correct safety-related alarm set-point values and alarm descriptions when associated field instruments are calibrated or changed and at least once each calendar year, but at intervals not to exceed 15 months;

Description of conduct that violated the regulation:

ENI failed to review alarm set point values and alarm descriptors as required by §195.446(e)(3).

Description of the evidence:

Eni failed to verify the correct safety-related alarm set-point values and alarm descriptions when associated field instruments were calibrated or changed, at least once each calendar year, but at intervals not to exceed 15 months, as required by § 195.446(e)(3). Eni was unable to provide documentation to establish that it reviewed set point values and alarm descriptions.

Eni's Response to proposed violation 2:

The following sections of the CRM were edited to assure meeting this requirements utilizing form F-195.446(e)(4) found in Eni's CRM. The safety related alarm review performed in December of 2021 was not documented on this form as the CRM amendment was not yet approved.

6.4 Safety-Related Alarm Set-Points and Descriptions (49 CFR 195.446(e)(3))

- Review the Control Room Management Plan to ensure all safety-related alarms are listed and all information is correct. Notify the Compliance Coordinator of any and all discrepancies identified.
- Review alarm set points to ensure they are set properly.

- Test equipment to ensure alarms indicate at the appropriate set point. (This testing may be done throughout the year during equipment checks so ensure the PMs are all up-to-date and test those that have not been tested within the year).
- Adjust set point as needed to ensure operating requirements are met in the field and alarms are functioning at the corresponding set point.
- Ensure alarm descriptors are in a consistent format.
- Verify correct pressure and flow alarm priority for each set point.
- Ensure alarm descriptors are clearly understood by Pipeline Controller.

6.5 Alarm Management Plan Review (49 CFR 195.446(e)(4))

- Pipeline Controllers understand the Safety-related Alarms.
- Critical alarms are listed as urgent and given priority.
- Monthly reviews showed documentation of alarms being properly handled.
- Alarm malfunctions are corrected in a timely manner.
- Alarm lists are being kept current.
- Pipeline Controllers understand their responsibility ensuring alarms settings are accurate.
- It is evident to Pipeline Controller when points are off scan.
- Number (volume) of alarms reducing or only essential alarms are occurring.
- Verify Alarm descriptors and set points match information in Control Room management Manual
- Verify alarm setpoints, descriptions and shutdowns match P&ID drawings.
- Verify documentation that all Safety Related alarms have had point to point calibrations and alarm points done by Instrument Techs with the Pipeline Controller.

PROPOSED VIOLATION 6

Description of Violation

(j) Compliance and deviations. An operator must maintain for review during inspection:

(1) Records that demonstrate compliance with the requirements of this section; ...

(h) Training. Each operator must establish a controller training program and review the training program content to identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months. An operator's program must provide for training each controller to carry out the roles and responsibilities defined by the operator. In addition, the training program must include the following elements: ...

Description of conduct that violated the regulation:

ENI failed to present adequate reviews of the training program.

Description of the evidence:

Eni failed to maintain records that demonstrate compliance with the requirements of § 195.446(h), as required by § 195.446(j)(1). Specifically, Eni failed to provide documentation of adequate reviews of its training program. Eni presented training program reviews for 2019 and 2020. Both the 2019 and 2020 reviews contained limited or no notes on the review form. The records presented did not represent a review of the training program.

Eni's Response to proposed violation 6:

Eni acknowledges this past deficiency and requests it be considered that during the audit we were able to demonstrate a pattern of continuous improvement in fulfilling this requirement in 2021. Below are additions to the CRM to better summarize this requirement and assure compliance. Instructions for this activity were moved to section 9 (Training Portion of the CRM) and re written to cover all training required under 49 CFR-195. Form F-195.446(h) was also modified to reflect the requirements. All documentation relating to this resolution are in Appendix C of this document.

9.4 Training Assessment and Review

Eni's training process is continually measured utilizing the ENI Task Assessment program. Operators are evaluated on a three year interval through a preset process to demonstrate knowledge and competency in all the aspects of their positions. The operators are given a final percentage score that is used as a benchmark of their progress and as a tool of evaluating the training/Mentoring program. These records can be accessed upon request from the Production Supervisor.

9.4.1 Training Program Review

A training program for Pipeline Controllers is established and the content reviewed each calendar year, but at intervals not to exceed 15 months to identify potential improvements and the effectiveness of the program. This review and identified improvements are documented on F-195.446(h) and maintained in the DOT files for a minimum of 2 years. The identified improvements are promptly addressed. These reviews may be conducted by internal audits / reviews or by outside organizations / people.

The following metrics are used to determine the effectiveness of Pipeline Controller training:

- Number of Pipeline Controller accidents

- Number of Pipeline Controller near-misses

- Time required to acknowledge and respond to an alarm

- Number of alarms handled improperly according to priority

- Participation in drills

- Understanding of roles and responsibilities

- Test scoring.

- Discussion with Pipeline Controllers about the thoroughness or missing elements of the training material content.

- Increase in Pipeline Controller reports of potential fatigue.

- Increase use of fatigue mitigation tactics.

- Pipeline Controller getting more rest (planning off-duty activities to allow this).

- No fatigue related near misses or incidents.

- Discussion at regular meetings.

Section 2

Eni petroleum's Response to the PHMSA NOV Warnings

PROPOSED VIOLATION 3

Description of Violation

§ 195.446 - Control room management.

(e) Alarm management. Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:

(1)...

(5) Monitor the content and volume of general activity being directed to and required of each controller at least once each calendar year, but at intervals not exceeding 15 months, that will assure controllers have sufficient time to analyze and react to incoming alarms; ...

Description of conduct that violated the regulation:

Eni failed to monitor the content and volume of general activity being directed to and required of each controller at least once each calendar year, but at intervals not exceeding 15 months

Description of the evidence:

Eni failed to monitor the content and volume of general activity being directed to and required of each controller, at least once each calendar year, but at intervals not exceeding 15 months, as required by § 195.446(e)(5). Eni was unable to provide documentation to establish that it monitored the content and volume of general activity being directed to and required of each controller for years 2018 and 2017.

Eni's Response to proposed violation 3:

We cannot go back and fix 2017 and 2018 but we ask that it be considered that we have been in continuous improvement in this particular requirement and demonstrated that to the auditors via our 2021 completed form and process.

PROPOSED VIOLATION 4

Description of Violation

(f) Change management. Each operator must assure that changes that could affect control room operations are coordinated with the control room personnel by performing each of the following:

(1) Implement section 7 of API RP 1168 (incorporated by reference, see § 195.3) for control room management change and require coordination between control room representatives, operator's management, and associated field personnel when planning and implementing physical changes to pipeline equipment or configuration; ...

Description of conduct that violated the regulation:

Eni failed to document coordination of SCADA changes with controllers for the addition of a new alarm.

Description of the evidence:

Eni failed to require coordination between control room representatives, operator's management, and associated field personnel when planning and implementing physical changes to pipeline equipment or configuration, as required by § 195.446(f)(1). Eni was unable to provide adequate documentation of coordination of SCADA changes with controllers for MOC 2089 PFP02-TI-10032A HH Alarm Addition (2019 PHA Recommendation 3). This MOC did not have documentation that the controllers were informed of the Alarm change/addition.

Eni's Response to proposed violation 4:

The following section was added to the CRM to show Eni's plan to assure Pipeline Controllers and others are informed of any changes relating to the pipeline.

6.16.5 Informing Pipeline Controller of Changes.

Pipeline Controller will be kept informed of all changes relating to the Operation or control of the DOT regulated pipelines. This is accomplished as the automations Technician implements the changes in the same control room and communicates with the Pipeline Controller of planned activity and obtaining permission to temporarily take alarms off scan if needed.

Additional actions in progress:

The production Supervisor to develop a process where all affected Production Operators including the Pipeline Controller will be informed of all planned MOC changes to the pipeline during pre-shift meetings documented on a roster.

The MOC and PSSR process procedures are being reviewed by the PSM Engineer assessing opportunities to enhance lower lever communication and approval. Specifically for the DOT Pipeline Controller.

PROPOSED VIOLATION 5

Description of Violation

§ 195.446 - Control room management.

(h) Training. Each operator must establish a controller training program and review the training program content to identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months. An operator's program must provide for training each controller to carry out the roles and responsibilities defined by the operator. In addition, the training program must include the following elements:

(1) ...

(5) For pipeline operating setups that are periodically, but infrequently used, providing an opportunity for controllers to review relevant procedures in advance of their application; ...

Description of conduct that violated the regulation:

ENI failed to update the list of infrequently used setups during the annual CRM manual reviews.

Description of the evidence:

Eni's training program did not include, for pipeline operating setups that are periodically, but infrequently used, an opportunity for controllers to review relevant procedures in advance of their application, as required by § 195.446(h)(5). Eni failed to update the list of infrequently used setups during its annual CRM manual reviews. Eni maintains a list of three infrequent setups in its CRM manual. However, additional infrequently used setups were identified during the annual review of the CRM manual that were not included on the list.

Eni's Response to proposed violation 5:

Eni believes this proposed violation needs some clarification. Eni did show documentation of a training program for pipeline operating setups that are periodically, but infrequently used, an opportunity for controllers to review relevant procedures in advance of their application, as required by § 195.446(h)(5). The discrepancy revealed during the audit was that the setups described and trained on in the course were not all listed in the Control Room management Manual. The following amendment was made to the CRM to be consistent with the training module.

9.2 Infrequently Used Setups

Pipeline Controllers are provided initial training on pipeline setups which may be used on an

infrequent basis (quarterly or greater intervals). Pipeline Controllers are expected to review relevant procedures in advance when performing pipeline operating set-ups that are periodically but infrequently used. Examples of infrequently used setups include but are not limited to:

- Leak Detection System Test (Draw down)
- ILI Tool runs (smart pigging)
- Pressure Testing NIK Diesel
- TAPS BPD Rate Proration NPL
- Planned extended shutdown of OPP
- Bypassing SDV 12021 NPL
- Testing internal Communication Plan
- Point to point Safety related alarm testing.

PROPOSED VIOLATION 7

Description of Violation

§ 195.446 - Control room management.

(j) Compliance and deviations. An operator must maintain for review during inspection: (1) Records that demonstrate compliance with the requirements of this section; ...

Description of conduct that violated the regulation:

ENI shift handover records reviewed were consistently missing information. Additionally, white out was used to amend the logbook on 06/10/2020.

Description the evidence:

Eni failed to maintain, for review during inspection, records that demonstrate compliance with the requirements of this section, as required by § 195.446(j)(1). Eni's shift handover records were consistently missing information. Additionally, white out was used to amend the logbook on June 10, 2020. Eni was advised that the logbook is an official record of the controllers' activities and cannot be amended using white out.

Eni's Response to proposed violation 7:

Eni acknowledges this past deficiency. As actions for correction, As well as emphasizing the importance of this documentation during morning shift meetings, we will be documenting a monthly task for the Lead Operators performing and audit on the handover documentation verifying accuracy completeness and proper editing not using whiteout.