



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

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

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY**

VIA ELECTRONIC MAIL TO: alimmer@harvestmidstream.com

July 5, 2023

Mr. Andrew Limmer
Vice President
Harvest Alaska, LLC
3800 Centerpoint Dr., Suite 1000
Anchorage, AK 99503

CPF 5-2023-008-NOPV

Dear Mr. Limmer:

Between July 25 and July 29, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected your Northstar Gas Transmission Pipeline in Anchorage, Alaska.

As a result of this inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

- 1. § 192.605 Procedural manual for operations, maintenance, and emergencies.**
 - (a)**

(c) *Abnormal operation.* For transmission lines, the manual required by paragraph of this section must include procedures for the following to provide safety when operating design limits have been exceeded:

(1) Responding to, investigating, and correcting the cause of:

(i)

(iii) Loss of communications;

Harvest Alaska, LLC (Harvest) failed to provide a record documenting that an abnormal operating condition (AOC) had occurred after a loss of communications was discovered. During the PHMSA records inspection, it was discovered that Harvest failed to record an AOC after one of its employees discovered the position switch for shutdown valve (SDV), SDV-9420 was not accurately communicating with the supervisory control and data acquisition (SCADA) system on June 5, 2022. On the Valve Inspection and Maintenance form dated June 5, 2022, Exhibit B-1, the employee described the condition as "Valve functions properly. When opening, the valve never gave control room an open status. Had IE-Tech come out and adjust it". The discovery that the remote monitoring unit was not communicating the valve's accurate position to the SCADA system constituted a loss of communications; therefore, an AOC should have been initiated until the issue was resolved.

On June 5, 2022, during Harvest's routine valve maintenance inspection of valve SDV-9420, the SCADA operator attempted to operate the valve remotely from the closed to the open position. After the valve was commanded open, the SCADA operator never received a confirmation notification indicating the valve was in the open position. Harvest field personnel stated that the valve itself operated correctly with full close-to-open travel. It appears the valve's switch indication to the SCADA system did not accurately report the correct travel of the valve, which required adjustment by a qualified individual. The adjustment and return-to-service was completed by the electrical technician immediately after discovery, and the valve was retested satisfactorily.

2. § 192.805 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a)

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

A Harvest contractor completed a valve inspection of shutdown valve SDV-9420 on August 26, 2020 prior to being qualified to complete this task. Review of Operator Qualification (OQ) records demonstrated the individual was not currently qualified to complete the covered task of "Inspect, Maintain, and Operate Valves."

The NorthStar DOT Valve Inspection Report dated August 26, 2020 for valve SDV-9420 is Exhibit A-1, and an image of the Harvest contractor's OQ records is Exhibit A-2. The NorthStar DOT Valve Inspection Report documented the valve inspection that occurred on August 26, 2020, and the valve inspection record indicated in the left-hand column "OQ CT" required task

for this maintenance activity was “716OP or 720OP”. The OQ records provided for the contractor’s employee showed that the employee was not qualified for Task ID 716 or 720 until August 28, 2020. Harvest provided records which showed the contractor was qualified to perform valve inspections on August 28, 2020, but Harvest did not have records indicating the operator was qualified to complete OQ-covered task number 716 or 720 prior to August 28, 2020. The valve inspection completed on August 26, 2020 was a covered task, requiring qualification for task 716 or 720, and was done by an unqualified individual.

Harvest received a warning for a similar violation in 5-2022-002-NOPV. They were cited under § 195.505 on their Northstar hazardous liquid line for unqualified operators completing covered tasks.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

We have reviewed the circumstances and supporting documentation involved for the above probable violations and recommend that you be preliminarily assessed a civil penalty of \$ 33,500 as follows:

<u>Item number</u>	<u>PENALTY</u>
2	\$ 33,500

Warning Item

With respect to item 1, we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct the item. Failure to do so may result in additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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 your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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 you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 5-2023-008-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

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

cc: PHP-60 Compliance Registry
PHP-500 C. Dolchok, M. Yeager (#22-243713)
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