



Menzies Aviation

Michael Farris
General Manager
Menzies Aviation/Anchorage
6000 DeHavilland Drive
Anchorage, AK 99502

27 March 2023

via E-Mail to Mr. Dustin Hubbard

Mr. Dustin Hubbard
Director, Western Region
Pipeline and Hazardous Materials and Safety Administration
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

RE: Response to PHMSA Notice Of Probable Violation and Proposed Compliance Order
CPF 5-2023-012-NOPV

Dear Mr. Hubbard,

During the week of September 12, 2022, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) performed an inspection of Menzies Aviation's Jet Fuel Crosstown Pipeline located in Anchorage, Alaska.

As a result of the inspection, PHMSA issued a Notice Of Probable Violation (NOPV) and Proposed Compliance Order (PCO) dated March 1, 2023, addressing apparent deficiencies within Menzies Aviation's program. Menzies Aviation does not contest the proposed corrective measures and has been working diligently to resolve the findings. Furthermore, Menzies agrees to perform the requested actions and submit documentation that these actions were completed to the Western Regional Director within each prescribed PCO time frame.

Menzies Aviation is proud of our pipeline safety program and has committed significant resources to proactively managing our pipelines and facility assets. Menzies Aviation also understands that improvements and enhancements are integral to the success of our programs. Such PHMSA inspections provide a valuable opportunity for such improvements.

The purpose of this letter is to provide a formal response to the NOPV and PCO. It is always our intent to comply with all PHMSA and other regulatory requirements, as well as to address any known deficiencies. Please find attached our response to the PCO.

Please call me if you have any questions at 907-243-4322.

Regards,

Michael Farris
General Manager





ATTACHMENT

NOPV Item 1. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

Menzies failed to follow its procedural manual for operations, maintenance, and emergencies (O&M). Specifically, Table 1-1 of the O&M manual, Exhibit E-1 from the NOPV's violation report, states, in relevant part as follows: "Action: Establish/Maintain liaison with Emergency Responders and Public Officials" at intervals of [f]requency 1/year, NTE [not to exceed] 15 months. During the PHMSA inspection, Menzies failed to provide documentation that it maintained liaison with emergency responders and public officials for years 2019, 2020, 2021, or 2022.

PCO Response: In regard to Item 1 of the Notice Menzies Aviation agrees to establish and maintain liaison with fire, police, and other public entities within 270 days of receipt of the Final Order and submit documentation that this action was completed to the Western Regional Director.

Menzies will establish and maintain routine communication with the appropriate public safety answering point (i.e., 811 Alaska Digline, Inc.). Furthermore, Menzies will establish liaison and routinely coordinate with the Anchorage Office of Emergency Management (OEM) and the Anchorage Local Emergency Planning Committee (LEPC) in order to more fully comply with §195.402(c) (12).

NOPV Item 2. §195.404 Maps and records.

(a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information:

(1) Location and identification of the following pipeline facilities:

(i)

(vii) Safety devices to which §195.428 applies.

Menzies failed to maintain current maps and records for its pipeline system. Specifically, the location and identification of Pressure Safety Valves (PSV) shown on the operator's maps and





**MENZIES
AVIATION**

records did not comply with the regulatory requirements. During the PHMSA inspection, the Operator provided a facility Piping & Instrumentation Diagram (P&ID) to the inspectors. The P&ID illustrated the transportation portion of the Crosstown Jet Fuel Pipeline from the Port of Alaska to the Anchorage airport. Nine total PSV symbols were located on the P&ID. None of the nine PSVs of the P&ID had serial numbers, asset identification numbers, facility-specific PSV numbers, or any other form of identification.

PCO Response: In regard to Item 2 of the Notice pertaining to pressure safety valve identification, though Menzies does maintain records of the identification and location of each PHMSA-regulated PSV, Menzies agrees to update their P&IDs to include the identification nomenclature of each jurisdictional pressure safety valve within 270 days of receipt of the Final Order and submit documentation that this action was completed to the Western Regional Director.

NOPV Item 3. §195.410 Line markers.

(a) Except as provided in paragraph (b) of this section, each operator shall place and maintain line markers over each buried pipeline in accordance with the following:

(1)

(2) The marker must state at least the following on a background of sharply contrasting color:

(i)

(ii) The name of the operator and a telephone number (including area code) where the operator can be reached at all times.

Menzies failed to maintain line markers over the buried pipeline. Specifically, Menzies failed to ensure right-of-way (ROW) markers contained the correct operator's name and/or telephone contact number. Photos taken during the inspection show numerous ROW markers that had either no operator name or stated ASIG as the operator, which was incorrect because the current operator of the pipeline is Menzies. In addition, numerous ROW markers listed the operator's telephone number as 907-278-3121, which is incorrect because the current telephone number for Menzies is 907-248-3065.

Response: In regard to Item 3 of the Notice pertaining to ROW markers, Menzies agrees to survey and correct all affected ROW markers to accurately reflect the current company name and emergency contact number within 180 days of receipt of the Final Order and submit documentation that this action was completed to the Western Regional Director.

Menzies has already surveyed and corrected all affected ROW markers. Furthermore, staff have been briefed and trained on the required information for line markers and to be more aware of information on pipeline markers while conducting ROW inspections. Formal documentation shall be provided to the Western Regional Director within 180 days of receipt of the Final Order.





**MENZIES
AVIATION**

NOPV Item 4. §195.420 Valve maintenance.

(a)

(b) Each operator must, at least twice each calendar year, but at intervals not exceeding 7 ½ months, inspect each valve to determine that it is functioning properly. Each rupture-mitigation valve (RMV), as defined in §195.2, or alternative equivalent technology that is installed under Â§195.258(c) or §195.418, must also be partially operated. Operators are not required to close the valve fully during the drill; a minimum 25 percent valve closure is sufficient to demonstrate compliance, unless the operator has operational information that requires an additional closure percentage for maintaining reliability.

Menzies failed to inspect each valve, at least twice each calendar year, but at intervals not exceeding 7 ½ months, to determine that they functioned properly. Specifically, Menzies did not verify the PS-1 and PS-2 valves functioned properly at least twice within the 2021 calendar year.

During the PHMSA inspection, Menzies failed to produce records demonstrating PS-1 and PS-2 were operated twice within the 2021 calendar year. PS-1 and PS-2 are both mainline ball valves adjacent to Pump#1 and Pump#2, respectively. Menzies Jet Fuel Pipeline Isolation Valve Inspection, Semi-Annual Inspection, was completed on February 5, 2021. Records obtained from the Operator showed the valve numbers of PS-1 and PS-2 were inspected on February 16, 2021; however, the column labeled "Valve Lubed and Operated/Check Flange bolts for proper torque" had N/A written in, indicating lubrication and operation was not applicable. Menzies performed another Jet Fuel Pipeline Isolation Valve Inspection, Semi-Annual Inspection, that was completed on August 5, 2021. This record showed the valve numbers of PS-1 and, PS-2 were inspected on August 5, 2021; however, the column labeled "Valve Lubed and Operated/Check Flange bolts for proper torque" had N/A written in, indicating the lubrication and operation was not applicable.

During the inspection, Menzies produced a point-to-point verification form, completed on July 7, 2021, which demonstrated valves PS-1 and PS-2 were operated satisfactorily at least once for the year 2021.

PCO Response: In regard to Item 4 of the Notice pertaining to biannual valve inspection, Menzies agrees to ensure that each valve is inspected and functioning properly twice each calendar year not to exceed 7.5 months, within 365 days of receipt of the Final Order and submit documentation that this action was completed to the Western Regional Director. Menzies has since retrained their newly hired maintenance personnel in the company's valve inspection and maintenance procedures in order to ensure compliance and integrity.





**MENZIES
AVIATION**

NOPV Item 5. §195.428 Overpressure safety devices and overfill protection systems.

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7 ½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

Menzies failed to test each pressure relief valve to determine that it was functioning properly for the years 2020 and 2021.

In 2020, Menzie's failed to inspect each pressure relief valve to determine that it was functioning properly for the year 2020. During the PHMSA inspection, Menzie's provided a pressure safety valve testing record titled, 2020 Menzie's Annual inspection. This record failed to demonstrate that each valve was inspected because all the valve summary sheets, except one, stated that the scope was "TEST ONLY". Menzie's failed to provide any other documentation to demonstrate that the condition of each of the listed PSVs had been inspected.

Menzies 2021 records evidence a similar issue of noncompliance as the 2020 record identified above. During the PHMSA inspection, Menzie's provided a pressure safety valve testing record titled, 2021 Menzie's Annual PRV Inspection & Testing record. This record failed to specify if the column labeled "Pressure Setting" was the as-purchased/designed pressure setting for each valve, or the actual tested/calibrated unseat final pressure setting. Furthermore, the record did not explicitly state that testing was accomplished, that each valve was set to a specific pressure value, or that each valve was operating within its designed pressure limitations.

In addition, Menzie's failed to provide records demonstrating that the PSV valve, Ser. No 571993-2, PSV Tag No. 1004, overpressure safety device was tested for the year 2021. During the PHMSA inspection, the Operator provided a 2021 valve test record. This record failed to demonstrate PSV valve, Ser. No 571993-2, PSV Tag No. 1004 was tested for the year 2021. The operator failed to provide any other evidence of PSV valve, Ser. No 571993-2, PSV Tag No. 1004, was tested for year 2021.

PCO Response: In regard to Item 5 of the Notice pertaining to inspection and testing of pressure safety valves, Menzie's agrees to update their valve inspection and maintenance forms to ensure they require the operator to document which valves are inspected and document unseat final pressure setting upon completion of testing and calibration within 270 days upon receipt of the Final Order. Menzie's shall submit documentation that this action was completed to the Western Regional Director. Menzie's has since developed an more complete pressure relief valve (PSV) test form to be used by its testing contractors. The new documentation contains PSV tag numbers, PSV serial numbers, designed set pressure for each PSV, and the test unseat/pop-off pressure.





**MENZIES
AVIATION**

NOPV Item 6. § 195.446 Control room management.

(a)

(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:

(1)

(3) Test and verify an internal communication plan to provide adequate means for manual operation of the pipeline safely, at least once each calendar year, but at intervals not to exceed 15 months.

Menzies failed to test and verify an internal communication plan to demonstrate adequate means for manual operation of the pipeline. Specifically, Menzies did not conduct testing or verification of their internal communication plan for the year 2021. During the PHMSA inspection, Menzies failed to produce any evidence to demonstrate that the internal communication plan was tested and verified for the year 2021.

PCO Response: In regard to Item 6 of the Notice pertaining to the internal communication plan, Menzies agrees to enact and test their internal communication plan within 180 days of receipt of the Final Order and submit documentation that this action was completed to the Western Regional Director. Menzies has since enacted and tested the internal communication plan, completed on October 12, 2022. In addition, Menzies has developed documentation to ensure and track future testing of the internal communication plan.

NOPV Item 7. § 195.452 Pipeline integrity management in high consequence areas.

(a)

(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

(1)

(7) Methods to measure the program's effectiveness (see paragraph (k) of this section);

Menzies failed to demonstrate methods to measure the integrity management program's effectiveness. Specifically, Menzies could not produce evidence illustrating that performance metrics were documented and/or utilized to provide insight into the integrity management program's performance or effectiveness. This pipeline is located within a highly populated area and runs





**MENZIES
AVIATION**

parallel to the commercially navigable waterways of the Cook Inlet. During the PHMSA inspection, the Operator failed to produce records to suggest the integrity management plan's effectiveness was measured.

PCO Response: In regard to item 7 of the Notice pertaining to measuring the integrity management plan's effectiveness, Menzies agrees to document the method and the metrics by which the integrity management program's effectiveness is measured within 365 days of receipt of the Final Order and submit documentation that this action was completed to the Western Regional Director. Menzies has since developed an IMP Performance Measures form that was completed during the annual IMPACT Meeting held in December 2022. In addition, Menzies has developed documentation to ensure and track future completion of the IMP Performance Measures form during their annual IMPACT Meetings.

