



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

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

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: Massimo.insulla@eni.com

December 27, 2023

Mr. Massimo Insulla
President, CEO
Eni US Operating Co., Inc.
1200 Smith St., Suite 1700
Houston, TX 77002

CPF 5-2023-018-NOA

Dear Mr. Insulla:

From April 25 through April 29, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Eni US Operating Co., Inc. (ENI) Nikaitchuq Pipeline (NPL) assets including the 10-inch Sales Oil Pipeline & the 2-inch Diesel Pipeline, procedures for valve maintenance, maintenance and operations, and training and qualifications, in Prudhoe Bay, Alaska.

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

- 1. § 195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a) ...**
 - (c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**
 - (1) ...**
 - (2) ...**

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

Eni's O&M manual was inadequate to comply with the requirement that pipeline inspections are to be conducted following extreme weather or natural disasters, as required by § 195.414(b). A procedure detailing response to possible seismic events was absent from ENI's O&M manual (O&M).

An earthquake on 08/12/2018 required actions to inspect and evaluate any possible damage that may have occurred to the pipelines. In an abundance of caution, ENI was prudent and initiated immediate damage and leak inspections beyond the normal scheduled inspection, however no direction was given by ENI's O&M. The O&M needs to be updated to include specific post-earthquake action plans.

2. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a)

(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(1)

(13) Periodically reviewing the work done by the operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.

In review of ENI's Operations and Maintenance (O&M) procedural manual, Exhibit A-1, DOT Pipeline O&M Manual, PHMSA found ENI's process for determining the effectiveness of the procedures used in normal operation and maintenance was inadequate.

ENI did not specify the process the Procedure Coordinator must follow to ensure the field personnel's comments were considered and procedural changes were incorporated into future revisions of the O&M manual if necessary. ENI must amend its procedure to address this inadequacy.

3. § 195.505 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.

ENI's O&M manual allowed employees to receive their initial operator qualifications based on a Performance Evaluation Form checklist and oral examination administered through a virtual process using Midwest Energy Association (MEA) procedures and guidance, rather than qualifying operators using in-person evaluation and testing methods.

On March 20, 2020, PHMSA issued a notice to operators of hazardous liquid pipelines, affected by the COVID-19 pandemic advising operators that PHMSA did not intend to take any enforcement action regarding certain operator qualification and control room management requirements in Part 195. PHMSA issued a Notice of Termination on May 19, 2021, that communicated the March 20, 2020 Notice would no longer be in effect beginning on May 26, 2021.

Virtual testing of operators to evaluate and ensure their knowledge of and capability to perform covered tasks is an inadequate practice that was temporarily allowed by PHMSA to prioritize the health and safety of Americans prior to the development and distribution of COVID-19 vaccines. This practice was not permitted after May 26, 2021.

ENI's Operator Qualification (OQ) manual suggested this special exception would remain in-place indefinitely and ENI personnel stated that they did not intend to revise this temporary process post-pandemic.

ENI must amend its OQ manual to remove the option of qualifying individuals virtually.

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 **180** 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 ENI 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 5-2023-018-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 M. Yeager (#22-236528)
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