



eni us operating

eni us operating co. inc.
3700 Centerpoint Dr., Suite 500
Anchorage, AK 99503
Tel. 907-865-3300

January 25, 2024

U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Attn: Dustin B. Hubbard
Director, Western Region, Office of Pipeline Safety
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

Sent via electronic mail to: Dustin Hubbard

Re: Response to Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order,
CPF 5-2023-019-NOPV and CPF 5-2023-018-NOA

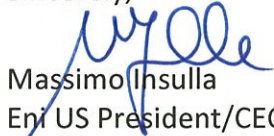
Dear Mr. Hubbard:

This document is in response to the subject notice, dated December 27, 2023, pertaining to results from the onsite inspection performed from April 25 through 29, 2022.

Eni US Operating Co., Inc. (Eni) has considered and acted on the issues noted by the inspectors in the preliminary finding document, as well as the Notice of Probable Violation and Notice of Amendment. In this response, Eni here after respectfully presents information and documentation to demonstrate our commitment to operating in compliance with DOT pipeline regulations. Each item in the Notice of Probable Violation and Notice of Amendment is addressed separately, providing Eni's response and additional documentation. Eni has chosen to respond to all the items in the notice, including the items designated as warnings.

Eni is currently preparing the requested documentation outlined in the PHSMA Proposed Compliance Order and expects to respond within the set deadlines and we remain entirely available for any further questions you may have.

Sincerely,


Massimo Insulla
Eni US President/CEO

Attachment: Eni US Operating Co., Inc. (Eni) Response to CPF 5-2023-019-NOPV and CPF 5-2023-018-NOA

Notice of Amendment Item 1

Regulatory Reference

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

(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:

Applicable Document

Eni Alaska DOT Pipeline O&M Manual

Concern

From CPF 5-2023-018-NOA: "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."

Eni Responses to NOA Item 1

In 2023, the DOT O&M Manual was updated to state that pipeline inspections are to be conducted following extreme weather or natural disasters. The following is the updated Section 2.4a of the manual:

"2.4a Natural Disasters and extreme weather conditions

It is highly rare on the North Slope but if an earthquake takes place that causes earth movement in the vicinity of the pipelines there will be a thorough inspection with a focus on possible pipe movement or dislodging from supports and possible damage to pipe supports. On the sales oil pipeline this will either be done by snow machine in winter, or by drone/aircraft in the summer if the tundra is not accessible.

Extreme Weather conditions with high winds are not uncommon on the North Slope. They often necessitate stopped work due to lack of visibility per ENI phase condition policy. If gusts over 80 mph are measured in the vicinity of one of the pipelines, a Surface right-of-way inspection will be performed and recorded on a pipeline patrol form."

Notice of Amendment Item 2

Regulatory Reference

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

(a)

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.

Applicable Document

Eni Alaska DOT Pipeline O&M Manual

Concern

From CPF 5-2023-018-NOA: "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."

Eni Responses to NOA Item 2

Eni O&M Manual has been amended to assure compliance to this requirement. A procedure review process and form were added, as follows:

"DOT O&M Procedure Review Process

- *All procedures identified as DOT specific are reviewed and updated on an annual basis.*
- *The Alaska Procedure Coordinator is responsible for scheduling and updating the documents according to the results of the field reviews.*
- *Each time a procedure is worked, field personnel are directed to inform the Procedure Coordinator of any needed changes to the procedure during the performance of the task. The Procedure Coordinator will note the suggestion and decide if it is appropriate to initiate a revision at that time or hold it until the scheduled revision.*
- *The annual procedure review begins by the Procedure Coordinator Sending a review package that includes the latest version to the Compliance Coordinator.*
- *The Compliance Coordinator Generates a procedure review form found in appendix D of this document. The Compliance coordinator will fill in the procedure being reviewed and also check the DOT work log to see if the tasks had been performed and note by whom and when.*
- *The Regulatory Compliance Coordinator will verify that the procedures are compliant with the latest DOT standards and PHMSA notifications.*
- *The Regulatory Compliance Coordinator sends the procedure package including the Prepopulated procedure review form to the appropriate O&M Supervisor.*
- *The O&M Supervisor assigns a Lead or Journeyman craftsman as the SPOC of the process for each particular procedure. The assigned employee will involve as many co-workers as is expedient and complete the Procedure Review form with the following information.*
 1. *Is the procedure detailed and applicable to the task at hand?*
 2. *Does the procedure give adequate instructions on how to react to an AOC?*
 3. *Was the O&M task successfully and safety performed utilizing this procedure? By who and when?*
 4. *Are there any suggestions for improvement? Indicate suggested change and step on procedure*
 5. *Are there any potential AOCs that were not mentioned on the procedure*
 6. *Documentation, regulations, or company policies reference during review*
- *The completed procedure form along with any marked up documents will be sent back to the Procedure Coordinator to make changes to procedure if applicable.*
- *The final procedure document is then reviewed and signed by the required ENI personnel identified on the form. It is then stored in EDAM where it is readily accessible to all ENI O&M personnel.*
- *Each annual review/update of these procedures is documented using ENIs MOC process on Footprints for the purpose of assuring proper distribution and training if applicable. If no changes are made that would affect the performance of the particular procedure, an MOC is not necessary. In this case the review will be documented on the review log on the particular procedure.*
- *Procedures that are identified as inadequate during incident investigations will be updated per this process ASAP."*

Notice of Amendment Item 3

Regulatory Reference

§ 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.

Applicable Document

Eni Alaska DOT Pipeline OQ Manual

Concern

From CPF 5-2023-018-NOA: “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.”

Eni Responses to NOA Item 3

In 2022, after the audit, the OQ Manual was amended to state the following:

“At no time will oral examination alone be considered an acceptable means of conducting a performance evaluation.”