

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: timothy.russell@bueci.org

December 27, 2023

Mr. Timothy Russell
General Manager
Barrow Utilities and Electric Cooperative, Inc.
P.O. Box 449
Barrow, AK 99723

CPF 5-2023-045-NOA

Dear Mr. Russell:

From November 16 through November 18, 2022, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Barrow Utilities and Electric Cooperative Inc's (BUECI), procedures for Maintenance and Operations in Utqiagvik (Barrow), Alaska.

As a result of the inspection, PHMSA has identified the apparent inadequacies found within BUECI's plans or procedures. The items inspected and the apparent inadequacies are described below:

1. **§ 192.605 Procedural manual for operations, maintenance, and emergencies.**
 - (a)
 - (b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.
 - (1)
 - (2) Controlling corrosion in accordance with the operations and maintenance requirements of subpart I of this part.

BUECI failed to provide an adequate procedure outlining its process to complete annual monitoring of its cathodic protection system as is required by § 192.605. BUECI provided the BUECI Natural Gas System Procedural Manual Operations, Maintenance, and Emergencies (O&M manual) (Exhibit A-1) with Section 10.3.1.3 Pipe-to-Soil Potential Procedure, Section 10.5 Annual Cathodic Check and Road Crossing Check, and Section 10.7 External Corrosion Control: Monitoring that outlined the requirement for cathodic protection monitoring, however, the procedure stated multiple conflicting frequencies of cathodic protection monitoring, and required the surveys to be recorded on forms that are not being used in practice.

BUECI's O&M manual Section 10.5 stated:

".... BUECI tests each pipeline under CP at least once each calendar year, but at intervals not exceeding 15 months.

BUECI performs annual cathodic checks and road crossing checks using the following steps:

- 1). In the older section of town, check all steel road crossings annually.
- 2). In the minimum 20% of the distribution system checked each year, check every valve station, service riser, and blowdown...
- 4)....
 - a) All documents are placed in a binder identified by routes.
 - b) Minimum 20% survey, including service risers, goes into the binder.
 - c) Valve station inspections are recorded on Form G05.
 - d) Blowdown inspections are recorded on Form G06."

BUECI's O&M Manual stated in Section 10.3.1.3:

"1)

- 6) Record the measured pipe-to-soil potential as the pipe potential with respect to the reference electrode on Form G06 – Annual Distribution System Blowdown Inspection, Form G11 – External Corrosion Control Monitoring, or cathodic survey by routes on the system map for the minimum of 10% (but typically 20%) of service area surveyed.
- 7) Record the measured pipe-to-soil potentials annually. Records are retained in the filing room."

BUECI's O&M Manual stated in Section 10.7:

"1)....

2) ... BUECI tests the following:

- a) Steel pipeline in excess of 100 ft under CP at least once each calendar year, but with intervals not exceeding 15 months
- b) Valve station risers, service risers, or sections of mains or services less than 100 ft in length, under CP, by a sampling procedure.
- 3) Survey at least 10% of these pipelines each calendar year with a different 10% checked each subsequent year so that the entire system is tested in each 10-year period. These sections of buried steel pipelines and valve risers are normally tested during the annual valve survey and recorded on Form G05. Any deficiencies indicated by this monitoring shall receive prompt remedial action.
- 4) Record inspections for external corrosion on Form G11 (as shown in Section 10.10 for retention procedures)."

This procedure failed to adequately outline the scope and frequency of the cathodic protection testing of their system. The procedure stated conflicting cathodic protection testing frequencies. Section 192.465 requires corrosion control monitoring to be completed annually not to exceed 15 months, with an allowed exception if tests at those intervals are impractical for separately protected short sections of mains, not in excess of 100 feet, or separately protected service lines. If using the exception, short segments or separately protected services lines may be surveyed on a sampling basis, and at least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period. BUECI's procedure did not clarify if the exception is applicable to their system, and if so, which segments of their system qualified for the exception and which segments of their system required annual cathodic protection monitoring. Additionally, in review of records, it was determined that pipe-to-soil potential readings were not recorded on form G-06 Annual Distribution System Blowdown Inspection Report and G-05 Annual Distribution System Valve Insp/External Corrosion as the procedure required.

BUECI needs to edit its procedures to clearly outline the scope and schedule of the cathodic protection measurements and how to document readings to meet the requirements of the regulation.

2. § 192.614 Damage prevention program.

(a)

(c) The damage prevention program required by paragraph (a) of this section must, at a minimum:

(1) Include the identity, on a current basis, of persons who normally engage in excavation activities in the area in which the pipeline is located.

BUECI failed to provide a procedure outlining how persons normally engaging in local excavation activities were identified as is required by § 192.614. BUECI participates in a local community one-call system. The O&M Manual (Exhibit A-1) Section 11.7 included a list of local contractors, however, PHMSA reviewed records of form G20 Request to Locate which indicated that additional local excavators existed that were not listed in the procedure. Three examples of companies that called for locates in 2021 that were not identified in the O&M Manual were B-3, Arctic Spark Electric, and Public Works.

BUECI needs to update its O&M Manual to include a process for how the list of local contractors is regularly updated.

4. § 192.614 Damage prevention program.

(a)

(b) An operator may comply with any of the requirements of paragraph (c) of this section through participation in a public service program, such as a one-call system, but such participation does not relieve the operator of responsibility for compliance with this section. However, an operator must perform the duties of paragraph (c)(3)

of this section through participation in a one-call system, if that one-call system is a qualified one-call system. In areas that are covered by more than one qualified one-call system, an operator need only join one of the qualified one-call systems if there is a central telephone number for excavators to call for excavation activities, or if the one-call systems in those areas communicate with one another. An operator's pipeline system must be covered by a qualified one-call system where there is one in place. For the purpose of this section, a one-call system is considered a “qualified one-call system” if it meets the requirements of section (b)(1) or (b)(2) of this section.

(1)

(2) The one-call system:

(i) Is operated in accordance with § 198.39 of this chapter.

BUECI failed to provide a procedure that maintains record of one-call excavation notices. § 192.614(c)(3) requires a damage prevention program to provide means for receiving and recording notification of planned excavation activities. However, a review of the operator's O&M Manual (Exhibit A-1) indicated that Section 11.3 One-Call did not include directions regarding how to document and maintain records of one-call excavation notices. BUECI's Annual Report for 2020 indicated two instances of excavation damage (Exhibit M-2). Additionally, evidence demonstrated BUECI utilized form G20 to log one-call inquiries, however there were no instructions in the O&M Manual advising use of the form. Sections 11.3- and 11.5-Line Marking discussed locate requests and subsequent line marking but did not indicate how one-call tickets and line marking were to be documented. Form G20 Request for Locate was listed in Appendix A of the O&M Manual. G20 forms that were reviewed from 2021 didn't indicate who completed line locates and when. The procedure was inadequate because it didn't specify BUECI's process to track and document one-call activities.

Therefore, BUECI must update its procedures to include directions on how to document and maintain one-call excavation notices.

5. § 192.756 Joining plastic pipe by heat fusion; equipment maintenance and calibration.

Each operator must maintain equipment used in joining plastic pipe in accordance with the manufacturer's recommended practices or with written procedures that have been proven by test and experience to produce acceptable joints.

BUECI failed to provide procedures for maintaining and calibrating plastic pipe joining equipment. The Operator provided their O&M Manual (Exhibit A-1) that described the procedures for the joining of plastic pipe that included both joint type and technician qualification details, however the procedure did not outline how plastic pipe joining equipment was either maintained or calibrated. Annual Reports from previous years indicate inadequate joining equipment maintenance may have contributed to joint failures. The 2021 Annual Report (Exhibit M-3) indicated one joint failure and the 2019 Annual Report (Exhibit M-1) indicated nine joint failures.

BUECI must update its procedures to include a process for maintaining plastic pipe joining equipment.

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 120 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 BUECI 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 5-2023-045** 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, H. Keogh (#22-257275)
Herman Reich, Natural Gas Distribution Superintendent, BUECI,
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