

WARNING LETTER

January 23, 2001

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Charles Denault
President,
Interstate Storage & Pipeline Corp.
400 Amherst Street, Suite 202
Nashua, NH 03063

CPF No. 1-2001-5001W

Dear Mr. Denault;

On September 6-8, 2000, a representative of the Eastern Region, Office of Pipeline Safety (OPS), conducted an on-site inspection of Interstate Storage Pipeline's (Interstate) records, procedures, and facilities located in Burlington, New Jersey. This inspection was conducted pursuant to Chapter 601 of 49 United States Code. As a result of this inspection, it appears that you have committed probable violations as noted below, of pipeline safety regulations, Title 49, Code of Federal Regulations, Part 195.

The items inspected and the probable violations are:

1. **§ 195.404 Maps and Records.**
 - (c) **Each operator shall maintain the following records for the periods specified:**
 - (3) **A record of each inspection and test required by this subpart shall be maintained for at least 2 years or until the next inspection or test is performed, whichever is longer.**

Included in this subpart is the stipulation that inspection of exposed pipe, as in § 195.416(e), should be recorded and maintained for two years. Interstate's Operations and Maintenance (O&M) Manual addresses the maintenance procedures for examining the pipe for evidence of external corrosion but the inspection records are not maintained for examination by the OPS.

2. § 195.416 External Corrosion Control

- (i) **Each operator shall clean, coat with material suitable for the prevention of atmospheric corrosion, and, maintain this protection for each component in its pipeline system that is exposed to the atmosphere.**

There is evidence of atmospheric corrosion on the piping at the pipe supports on the inlet side of the terminal pump station. It appears as though water accumulated at the interface of the pipe and the pipe support and corrosion is evident at this point.

3. § 195.412 Inspection of rights-of-way and crossings under navigable waters.

- (a) **Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.**

Although your records indicate this is being done, the right-of-way at the fencing on McGuire Air Force Base is covered with dense brush and trees, which would make the inspection of this right-of-way extremely difficult. The dense brush is an indication that the right-of-way clearing is overdue.

4. § 195.428 Overpressure safety devices and overflow 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 7½ 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.**

Interstate's O&M Manual does not provide adequate procedures for inspecting and testing pressure limiting devices relief valves, pressure regulators, or other items 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.

5. § 195.403 Emergency response training.

(a) Each operator shall establish and conduct a continuing training program to instruct emergency response personnel to:

(1) Carry out the emergency procedures established under § 195.402 that relate to their assignments.

(b) At the intervals not exceeding 15 months, but at least once each calendar year, each operator shall:

(1) Review with personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph(a) of this section; and

(2) Make appropriate changes to the emergency response training program as necessary to ensure that it is effective.

Interstate's Manual needs to be revised to specify more clearly their approach to the training and emergency procedures as required by this section. Also, there are no records of any simulated emergency drills that were conducted that would verify the adequacy of the emergency training. There is no acknowledgment of employee training or of statements to that effect, or signed statements to verify employee participation in a training program.

6. § 195.420 Valve maintenance.

(a) Each operator shall maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times.

(b) Each operator shall, at intervals not exceeding 7 ½ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

Interstate's O&M Manual doesn't render an adequate description of the valve inspection program. There is also no documentation of valve maintenance.

Under 49 United States Code § 60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violations persist up to a maximum of \$500,000 for any related series of violations.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to assess you a civil penalty. We advise you however that should you not correct the circumstances leading to the violations, we will take enforcement action when and if the continued violations come to our attention.

We expect that you will continue to bring your pipeline and your operations into compliance with the pipeline safety regulations and we appreciate your attention to these matters. We were pleased by your effort thus far in upgrading your O&M Manual and also your continuing effort to promote safety in your organization. If we can answer any questions or be of any help in getting these concerns resolved, please call me at (202) 366-4580 or John Firely at (609) 989-2179.

Sincerely,

William H. Gute
Director, Eastern Region
Office of Pipeline Safety

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