

NOV 17 2009

Mr. Randall Barnard  
Senior Vice President  
Williams Gas Pipeline Company, LLC  
2800 Post Oak Boulevard  
P.O. Box 1396  
Houston, TX 77251-1396

**Re: CPF No. 1-2009-1007**

Dear Mr. Barnard:

Enclosed is the Final Order issued in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$952,500. I acknowledge receipt of your wire transfer of \$952,500 on September 4, 2009, and accept it as payment in full of the civil penalty. This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Byron Coy, Director, Eastern Region, PHMSA

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED[7005 0390 0005 6162 5111]**

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

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| _____ )                                      |  |                            |
| <b>In the Matter of</b> )                    |  |                            |
| )  |  |                            |
| <b>Williams Gas Pipeline Company, LLC,</b> ) |  | <b>CPF No. 1-2009-1007</b> |
| )  |  |                            |
| <b>Respondent.</b> )                         |  |                            |
| _____ )                                      |  |                            |

**FINAL ORDER**

Pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted a post-accident investigation of a pipeline failure that occurred on September 14, 2008, in Appomattox, Virginia (Accident). Williams Gas Pipeline Company, LLC (Williams or Respondent) is the owner and operator of the 30-inch pipeline (Line B) that ruptured. Williams is a major transmission pipeline operator in the United States and owns and operates approximately 14,200 miles of natural gas pipeline through its subsidiaries, Transcontinental Gas Pipe Line Corporation (Transco) and Northwest Pipeline GP.<sup>1</sup>

As a result of the Accident and the ensuing explosion and fire, several homes were damaged or destroyed. Five people were hospitalized with first- and second-degree burns. Twenty-three families living in the vicinity of the failure site were evacuated and dozens of fire-fighters and police officers responded to the scene.<sup>2</sup> On September 25, 2008, PHMSA issued a Corrective Action Order (CAO No. 1-2008-1004H) to Williams, requiring the company to take immediate corrective actions to protect public safety.<sup>3</sup>

As a result of the post-accident investigation, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated August 6, 2009, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. §§ 192.457(a) and 192.465(d) and assessing a civil penalty of \$952,500 for the alleged violations.

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<sup>1</sup> Transcontinental Gas Pipe Line Corporation operates a 10,500-mile natural gas pipeline system extending across twelve states from Texas to New York City. Northwest Pipeline GP operates 3,900 miles of natural gas pipeline through Washington, Oregon, Idaho, Wyoming, Utah, and Colorado.

<sup>2</sup> See Pipeline Safety Violation Report (Violation Report), pg. 4 (August 7, 2009) (on file with PHMSA).

<sup>3</sup> This Corrective Action Order (CAO) is currently open and will remain so until the required actions are deemed complete by the OPS Eastern Region Director.

Williams responded to the Notice by letter dated September 4, 2009 (Response). The company did not dispute the allegations of violation but clarified the remedial efforts it had undertaken in response to the Accident. Williams did not request a hearing and therefore waived its right to one. Respondent paid the full proposed civil penalty of \$952,500 on September 4, 2009.

### **FINDINGS OF VIOLATION**

Williams did not contest the allegations in the Notice that it violated 49 C.F.R. Part 192, as follows:

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 192.457(a), which states:

**§ 192.457 External corrosion control: Buried or submerged pipelines installed before August 1, 1971.**

(a) Except for buried piping at compressor, regulator, and measuring stations, each buried or submerged transmission line installed before August 1, 1971, that has an effective external coating must be cathodically protected along the entire area that is effectively coated, in accordance with this subpart....

The Notice alleged that Williams violated 49 C.F.R. § 192.457(a) by failing to maintain cathodic protection sufficient to control corrosion along that portion of its pipeline that had “an effective external coating.” Specifically, it alleged that Williams failed to maintain cathodic protection along Line B in the area where the Accident occurred. Line B is a transmission pipeline originally installed in 1955 with an external coating that required cathodic protection.

During the accident investigation, PHMSA reviewed the company’s corrosion control records for the pipe in the vicinity of the Accident site, including the records of Williams’ 2003 and 2006 Close-Interval Survey (CIS) results. These records graphically depicted a dip in the pipe-to-soil readings in the vicinity of the rupture site that were well below the -0.85 volt criteria of 49 C.F.R. Part 192, Appendix D (“Criteria for Cathodic Protection and Determination of Measurements”). The 2003 CIS readings for Line B in the vicinity of the Accident site were -0.530 and -0.690. The 2006 readings for the same test stations were measured at -0.542 and -0.399. These readings demonstrated insufficient cathodic protection in the area of the Accident.

A third-party metallurgical lab tested a section of pipe after the Accident and confirmed that external corrosion was the cause of the rupture. Accordingly, upon consideration of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.457(a) by failing to maintain cathodic protection along the entire coated portion of Line B.

**Item 2:** The Notice alleged that Respondent violated 49 C.F.R. § 192.465(d), which states:

**§ 192.465 External corrosion control: Monitoring**

(d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring....

The Notice alleged that Respondent violated § 192.465(d) by failing to take prompt remedial action to correct deficiencies indicated by the company's external corrosion monitoring. Specifically, the Notice alleged that Williams failed to correct the cathodic protection deficiencies discovered by the 2003 and 2006 CIS testing. In its Response, Williams did not dispute that it failed to correct the known corrosion problem. The company instead confirmed certain remedial actions it had conducted prior to the Accident.

Williams stated that it had attempted to address the low readings by installing a remote ground bed near this location in 2004. Having again received low readings from the 2006 CIS, the company then installed a linear anode in June 2007. However, follow-up readings were not taken in 2007 or 2008 and the pipeline ruptured in September 2008. In its Response, Williams stated that an in-line inspection for Line B was completed on June 23, 2008.<sup>4</sup> Williams also stated that the results of this in-line inspection were not received from the vendor until August 15, 2008, and did not indicate an immediate safety problem.<sup>5</sup> Unfortunately, the line ruptured on September 14, 2008, as a result of Williams' failure to correct the low readings. Accordingly, upon consideration of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.465(d) by failing to take prompt remedial action to correct the cathodic protection deficiencies discovered on Line B.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

### **ASSESSMENT OF PENALTY**

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$100,000 per violation for each day of the violation, up to a maximum of \$1,000,000 for any related series of violations. In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; the Respondent's ability to pay the penalty and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require.

The Notice proposed a penalty of \$570,000 for the violation of 49 C.F.R. § 192.457(a) (Item 1), for Williams' failure to maintain cathodic protection sufficient to control corrosion along that portion of its pipeline system with "an effective external coating." Williams did not contest this allegation of violation. I have reviewed and considered all of the evidence in the record, including, but not limited to, the seriousness of the injuries, the property damage, and the evacuation of families in the vicinity of the Accident. The accident in this case serves as a

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<sup>4</sup> *Response*, at 1.

<sup>5</sup> *Id.*

graphic illustration of the tragic consequences that can result from a pipeline operator's long-term failure to address known corrosion problems. Accordingly, I find the proposed civil penalty amount justified and assess a civil penalty of **\$570,000** for violation of 49 C.F.R. § 192.457(a).

The Notice further proposed a penalty of \$382,500 for the violation of 49 C.F.R. § 192.465(d) (Item 2), for Respondent's failure to take prompt remedial action to correct deficiencies indicated by the company's own external corrosion monitoring. Williams did not contest this allegation but asserted that it had taken measures to address corrosion problems, both before and after the Accident. Despite such efforts, the company failed to conduct follow-up inspections to correct the deficiencies detected by the monitoring.

It is incumbent upon all pipeline operators not only to monitor external corrosion on their lines but also to act promptly to address deficiencies that become manifest as a result of monitoring. I have reviewed and considered all of the evidence in the record, including, but not limited to, the extent of the injuries and property damage, the evacuation of families in the vicinity of the Accident, the length of time that external corrosion problems persisted on Line B, as well as the actions Williams took in response to the corrosion, and find that the proposed civil penalty is justified. Accordingly, I assess a civil penalty of **\$382,500** for violation of 49 C.F.R. § 192.465(d).

Therefore, I assess Respondent a total civil penalty of **\$952,500**, which Respondent has already remitted to PHMSA.

The terms and conditions of this Final Order shall be effective upon receipt.

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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

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Date Issued